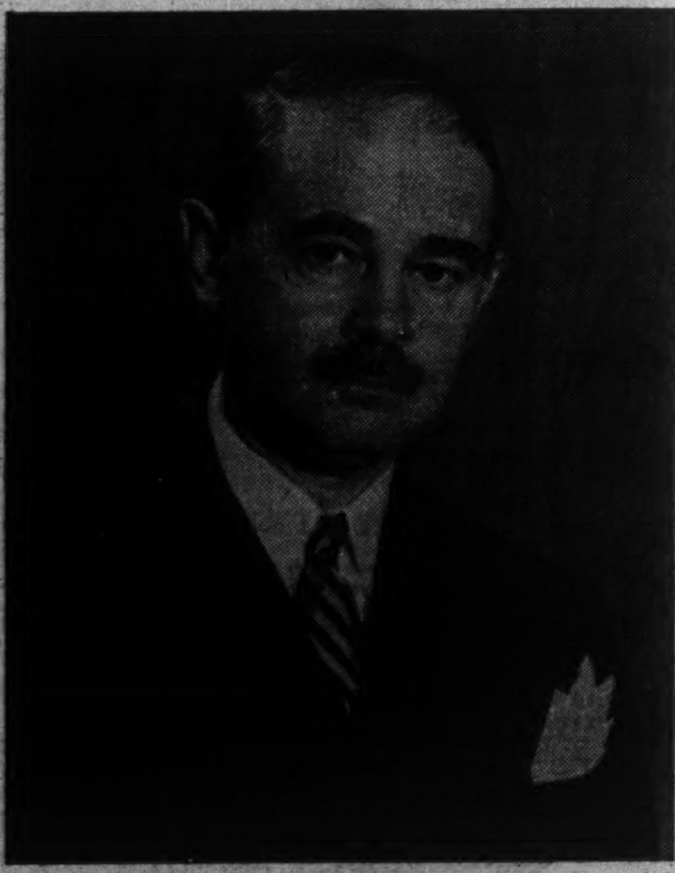
Heads Investment Dealers



Gerald G. Ryan, 49, new head of the 370 coast-to-coast members of the Investment Dealers Association of Canada, takes office at a time of expanding activities of the association, particularly in training of Junior members. Mr. Ryan is president of L. G. Beaubien & Co. Ltd., investment dealers, and managing partner in L. G. Beaubien & Co., stockbrokers, of Montreal, and vice-president, Canadian Section, International Chamber of Commerce.

The Financial Post

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The Canadian Newspaper for Businessmen and Investors

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THE NATION'S BUSINESS

How CCF Delivers Election Victories

Liberals and Conservatives are sadly bathing their wounds following recent election results. Thousands of Canadians who do not want this country taken by Socialist revolutionaries backed by Communists are balefully examining election returns.

Tears are of no avail. What's going to be done about these results?

Read the article on page 13 of this issue. It shows how and why the CCF works.

Look at the map of the CCF organization covering all Canada; an organization which is systematically at work, not just a week or so before elections, but 365 days a year. There obviously is the key to CCF strength. As in the Communist party, the CCF high command has a constant direct line of communication with its members. It can pass down the orders as to the party line, as to strategy, as to duties of groups and individuals. And up to the high command from the CCF clubs and lower echelons goes information about party morale, wants, etc.

Of immense significance, too, is the religious fervor of the CCF faithful. Not only can they all be depended upon to get out and vote, as the page 13 article shows, but the vast majority can be depended on to get out and work—without getting paid for it—to win CCF votes among the "floaters" where party alliance is wandering and where the outcome of most elections is determined.

A Challenge That Needs Action

The religious aspect of the CCF movement is well reflected in what one party worker told The Post's writer: "You don't expect to get paid for doing something for your church, do you? With us, it's a sort of crusade. With others it's a case of 'What's in it for me?'"

Support of many important trade unions and the full-time assistance for months before the elections of professional labor union organizers was also an important factor in CCF gains. These trade unions are highly disciplined, so leaders can deliver large blocks of votes. Professional union organizers, skilled in the art of fomenting discontent and of moving people to action, also gave the CCF something only rarely enjoyed by the other parties.

The record in other countries shows only too clearly how well-organized, fervent minorities can use the process of democratic elections to seize power and to stamp out democracy.

That will happen here, too, unless Canadians who put personal liberty above the bureaucratic state waken up to the challenge they face, and do the things necessary to meet it.

* * *

Code Changes Protect Investors

Decent Canadians, and particularly those concerned with the health of the financial business, will applaud some of the amendments to the Criminal Code.

These amendments are designed to combat wash sales, stock manipulation and extravagant and false claims in stock selling.

It has been well known in the financial community that certain types of brokers and promoters have often been guilty of manipulating stocks in a way guaranteed to reward the manipulator and to fleece the stock buyer.

Also familiar have been wash sales in which an operator by making fictitious trades with himself through a co-operating group of brokers gives a spurious appearance of stock market activity in order to entice the unwary and the uninformed to buy a certain stock.

Conspiracy Seldom Provable

When the Ontario Securities Commission investigated the sensational case of Eldona, it found itself hamstrung by law which made wash sales legal unless criminal conspiracy could be proven. Similarly, in the Beaulieu case, it was brought out that stock manipulation was not an offense unless conspiracy could be proven. And by the very nature of stock manipulation and wash sale operations, it is hard to imagine any situation in which conspiracy could ever be proven.

It was very clear, therefore, that the Criminal Code was, in fact, protecting two highly undesirable practices. The amendment, worked out by the much-experienced Ontario Securities Commission removes this protection for the manipulators and wash sale artists.

Now, on manipulation, it is necessary only for the Crown to prove that "deceit or falsehood or other fraudulent means" was used for the purpose of rigging a market.

On wash sales, the Crown must prove only that there was criminal intent to create a false or misleading appearance of public trading.

A third important amendment covers the oral representations of security sellers. Previously, a stock salesman could be convicted for false pretences only for the representations which were made in writing. But the obvious if unfortunate truth is that too many people buy stock as a result of what salesmen say and pay little attention to what is written. The change in the Code makes security sellers liable for false pretence charges for both written and oral misrepresentations which should moderate and put greater accuracy into a great many sales talks.

With these amendments on the statute books, and with constantly watchful securities commissions, Canadians will get important additional protection against the hoodlum fringe of the financial community.

Green Light Given 232 Import Plans

Ottawa Okays Project Applications Totaling $495 Millions – Aim of Controls Not to Curb, But to Promote Industrial Growth, Howe Says

OTTAWA (Staff)—Up to the end of May 232 project applications involving $495 millions of materials had been approved by officials administering the dollar conservation program.

The figures were given for the first time last week by Trade and Commerce Minister C. D. Howe. He stated that out of the over-all sum, $73 millions represented materials covered by Schedule III in the import control program. This means that approximately 14% of total material requirement under these programs, involves goods which can be bought only in the United States or other hard currency areas.

Of the 232 projects, 40 applications cover replacement of obsolete or uneconomical equipment. A considerable number of these are of the Canadian textile industry. Seventeen projects deal with public service projects, the most important being Ontario, hydro-electric power development program.

Apart from public utilities, the industries which account for the largest expenditure are pulp and paper, textiles, petroleum, chemicals and processed foods and beverages.

Aim to Aid Industry

Mr. Howe pointed out that Schedule III was not designed to place drastic limitations on industry but "was intended to promote industrial growth in the most constructive possible way." He cited steel as indicative of efforts to obtain the largest possible imports, consistent with the overall program.

In the first quarter of 1948 tonnage of structural steel imports subject to control was about 57% higher than in the first quarter of 1947, although about 16% below the first quarter of 1947.

Apart from permit or project authorizations and specific dollar allotments (as in the case of the automobile industry) Mr. Howe stated that applications for dollar permits on an individual basis had totalled $21.5 millions up to the end of May. Of these, $14 millions represented authorization for imports from the United States and $7.5 millions, imports from other countries.

New Canadian industries now expanding to overcome import restrictions were cited as follows:

Automobile parts and subassemblies—new types of wheels, nonvacuum fuel pumps, hub, drum and transmission assemblies.

Textile industry: "At present there are a number of large expansion and modernization projects under way in all branches of the textile industry which will contribute substantially to a reduction in our imports of these materials (cotton fabrics) as well as of yarns and fibres and will increase the efficiency of the industry. These projects will not only aid in our immediate dollar saving program and alleviate material shortages, but will also contribute to the improvement of our long-term dollar position. The completion of a rayon plant now under way will make it less necessary to import rayon fibres and yarns."

Pulp and Paper Industry: "A large expansion program under way to increase our production of a number of products particularly for export to the United States. Some of the projects will process pulp previously exported; others will convert our paper into containers and other paper products now imported.

Copper and Brass products: "In the past Canada has imported a substantial amount of copper and brass products. In this industry a large expansion project now under way should materially reduce our dependence on imports."

Asbestos industry: "Heretofore a large proportion of our asbestos has been exported as raw material and it has been necessary for us to import various manufactured asbestos products. A number of large projects now under way will not only increase our production of asbestos, but in particular will increase our production of manufactured products for both domestic and export markets."

Secondary Manufacturing: "One of the largest United States manufacturers of automatic wash-

(Continued on page 2, col. 3)

Here Are Detailed Boosts In Canadian Steel Prices

OTTAWA (Staff) — The new price structure on pig iron and steel products now in effect is expected to reduce by about $2 millions the cost of subventions and subsidies under Canada's steel control program.

The new estimate of total subvention for the present fiscal year is $7.5 millions against an earlier figure of $9.5 millions.

Pig iron prices were raised in Canada in May. The jump was $4 a gross ton on foundry or basic pig and $4.50 a gross ton on malleable. The new base prices are $43 and $44 respectively.

On semifinished steel, the new June 11 price on ingots is up $6.20 per gross ton to $55.70 (base price). Slabs are up $4.04 a gross ton to $62.50 and billets up $4.00 to $64.00.

For finished steel products, the increase in carbon steel plate and skelp (used mainly in pipe manufacture) is $12 a net ton to a new base price of $74. Bars, rods and sheet are up $5 a net ton.

Under new subsidy rates now in effect, the only subsidy now payable to Dosco is a freight subvention on shipping finished steel products from Sydney to the West. Estimated cost of this subsidy for the present fiscal year is $1,450,000 on approximately 200,000 net tons of products.

The Government also provides what is called an interchange allowance on billets and tonnage moved by government order to Hamilton and Montreal in order to keep secondary capacity of Canadian steel mills at full speed.

Since last October this subvention is payable by consumers and not by producers of steel. The Government no longer repays this subvention to the producers because it was charged that in so doing an unfair picture was presented of the real situation in Canadian steel.

Under the new program of prices and subvention no direct payments will be made by the Government to Algoma Steel. There is however a new interchange allowance of $4.00 a ton on slabs (this was $7.46 prior to the price increase) and a further freight subvention of $4.84. Neither of these are charged to Algoma account.

Beauty-by-the-Box Costing Miss (or Mrs.) Canada $27.60

Any idea of the cost of boxed beauty these days?

Indirectly, the Research Division of Chatelaine Magazine (Maclean-Hunter) provides the answer in a recent Beauty Survey to find out what cosmetics women buy.

To be precise, it was $27.60 in 1947. At least that's what it works out to for each of 1,149 persons who filled out the Chatelaine questionnaires.

This is quite a bit more than the Canadian average ($15.70 for every woman over 15). But aside from this crass commercial angle, the survey reveals some interesting things, of which you males may not be aware.

For example, did you know that women buy most of a man's toilet requirements: shaving cream, tooth paste, razor blades, shampoo, deodorant?

But to get back to feminine beauty. Of Chatelaine readers, 58% are brunettes; only 13.9% blonde (no breakdown into natural or otherwise) 11.8% grey; 5.9% black, $5.1% auburn and only 2.1% red.

Here's some more statistical material: 43% wash their hair at home; 81.4% at least every two weeks; most women brush their hair at least once a day.

And here's a rare bit of information: the number of hair brushes per family is 2.8; 3.5 in the highest income bracket.

On care of the skin: 71% still use soap and water although 28.3% use cleaning or cold cream exclusively.

On care of the hands: only 10.3% have their nails manicured at a beauty parlor; 66.6% use nail polish.

On makeup: 66.8% use powder; 88.3% rouge and 88% lipstick; only 18.7% use eyelash makeup or mascara; 3.8% eye shadow.

General grooming: 82% use perfume; 72% received it as a gift, the rest bought it themselves.

And here's a tip if you're thinking of buying any: most women like a light odor; 21% a sweet smell and only 15% one of those spicy come hither varieties.

PRICES

Beef prices, as forecast, continue to follow the upward trend in cattle with jumps of from five to 15c lb. registered in Ontario throughout the week. Additional price hikes were in prospect while Ottawa pondered proposed removal of the embargo on cattle shipments to U.S.

With other meat cuts sympathetically showing higher price tags, the first sign of buyer resistance appeared this week. Butchers and restaurant owners report that Canadians are making a decided switch to cheaper meat cuts and summer salads. But can buyer resistance reawaken the law of supply and demand enough to bring on a price decline?

A substantial increase of resistance at the consumer level, accompanied by migration from urban to vacation localities could conceivably create the needed pressure to reduce prices, provided the embargo stays. Under these circumstances Canadians could expect moderate price declines near the end of July.

However, if the embargo is lifted, effects of decreased demand and a larger summer cattle supply would probably be more than offset by new price increases as Canadian cattle enter the American market.

Price control restoration has been advocated in the strongest of terms by U.S. President Truman. In his campaign for the Democratic Party nomination he has maintained the dire need for immediate revival of control measures.

In Ottawa Finance Minister Abbott said the Government would not establish an over-all price ceiling policy. Still in a quandary about the matter, the Government has been left a convenient loophole by Mr. Abbott's statement. Should the U.S. adopt price control, Canadians might

(Continued on page 2, col. 4)

See Expansion Of Laurentien As Ford Sold

MONTREAL (Staff) — Further expansion of Montreal's Laurentien Hotel is a possibility, as a result of the recent sale of the Ford Hotel to the Canadian Broadcasting Corp. Ford Hotels Co. President John C. Udd states that the Laurentien was built with the possibility of expansion in mind and he adds: "We have adequate room for expansion."

It has not been decided when enlargement work will start. The Ford Hotel will continue to operate until Sept. 15, and final decision with respect to the Laurentien is not likely to be made until the management is assured that the extra rooms will be required.

Ford Hotels Co. sold the Montreal Ford to CBC for $2,050,000. It is stated that CBC will move all its branches into the building and will also use it to house the international short wave circuit. With sale of the Ford here, Toronto hotelmen are wondering how long it will be before the Ford Hotel in that city is sold. Sale of the Ford Hotels is said to be part of a long-term program of divestment of obsolete units.

Tenants now renting space in the Ford here will move to the Laurentien and Ford staff will, if they wish, go to the Laurentien, the Lord Elgin, in Ottawa, or to Ford hotels in Toronto or Fredericton.

Sale of the Ford may give a boost to the hotel business here, it is believed. The Ford will be open to handle this summer's tourist trade and its 750 rooms will be withdrawn just about the time the hotels start looking for customers. Hotel bookings have fallen off over the past few months, it is stated.

Government Annuities To Have Cash Values?

New Bill Will Increase Maximum Annuity Purchasable to $1,500 With Contracts Generally More Flexible – Effective When Assent Given

OTTAWA (Staff) — If passed by Parliament, federal annuities will be purchasable up to an amount of $1,500, instead of the present limit of $1,200. The change will go into effect as soon as the Bill now before Parliament receives royal assent.

It is probable also that in future, cash surrender values will be payable on federal annuities for the first time since the Act was introduced several decades ago.

Other important changes in new annuities legislation include provision for greater flexibility of contracts and a new statutory basis for compilation of interest rates under the Act. Provision is also made for a regular five-yearly review of mortality rates.

Although not finally decided, it is expected that under the new proposed provisions, the government annuities branch will henceforth provide cash surrender values on federal annuity contracts. This was something not possible under the old Act. It constituted an important disadvantage in competitive selling with the contracts of private insurance companies.

The new clause which has been inserted in the proposed changes gives the minister authority to authorize "the surrender of the right to receive an annuity before the due date of the first installment and repayment of the whole or any part of the purchase price, etc."

The new basis for calculation of rates of interest prescribes a formula based "from time to time as nearly as is practicable on the average rate of interest return that is yielded by bonds of the Government of Canada that will be outstanding for a period of 12 years or more before maturity or before the day that they may be called for payment whichever is the shorter."

New regulations based on this formula were announced earlier this year and became effective April 19. At that time the Government also announced that the mortality tables on which rates were based were being revised.

Gov't Delays Lifting Cattle Export Ban

OTTAWA (Staff) — Political and especially high cost of living fears are staying the hand of the government in its declared intent to remove the embargo on Canadian cattle moving to the United States.

The intention is still there, namely to remove the embargo. But it is now certain this will not be done prior to the Saskatchewan election.

Presumably when Mr. Gardiner returns from the West and when Parliament has adjourned, a definite date may be set. Also, it is argued here that this will certainly come before the Liberal convention on August 7.

Meanwhile, the government is acutely embarrassed by Mr. Gardiner's advance statement of intent to remove. Added to this are CCF victories based to a considerable extent on urban annoyance against high taxes and high living costs. Thus, the whole over-all price and cost of living problem is again acutely before the government with no solution in sight.

Provincial Paper Has Price Boost

Provincial Paper Co. this week announced price boosts in chief paper products. Base for uncoated papers has been raised $5 a ton and increases ranging up to $10 a ton are announced for coated papers. (Financial Post, June 5, p.1.)

At the same time the company announces practically a new line of coated papers including resumption of full prewar range of weights, colors and sizes. Thirteen grades, embracing a wide range of size and substance, are calculated to meet a great variety of requirements in finish, brightness, printability and foldability for letterpress, lithograph and gloss-ink work.

See Canada Facing New Steel Famine

Shortage Developing in U. S. in Wake of Coal Strike; Fear Dominion Allotment May Be Cut Next Month

Fear, bordering on alarm, is growing over the serious implications for Canadian industry in the currently delicate steel situation in the United States.

The growing crisis stems from two sources:

1. The effect of the U. S. soft coal strike is beginning to catch up.

2. Diversion of steel to ERP, the U. S. defense rearmament program and favored U. S. domestic programs.

Beginning with the third quarter, July 1, Canada is definitely going into a critical supply period as far as U. S. imports of steel are concerned. This will be primarily delayed reaction to the soft coal strike.

The seriousness of the situation was brought home to Canadian manufacturers recently at the CMA convention in Toronto. They were warned by D. S. Wood, CMA Tariff Department, that "the Canadian economy cannot . . . maintain its rate of production if deliveries of steel . . . are to be curtailed."

"Steel production in Canada," Wood said, "is as high as can be expected. (But) domestic production alone cannot alone solve our steel supply problem. We have always been heavily dependent upon imported steel for an important percentage of our requirements, chiefly of the type not rolled in Canada."

"United States mills which export to Canada are unquestionably doing everything within their power to maintain deliveries. Imports during the war and since have been more than double prewar average tonnage. We cannot complain that we are being unfairly treated."

At present Canada imports roughly 25%-30% of total steel requirements. Imports are averaging 80,000-85,000 tons a month or roughly at the rate of one million tons a year.

See Production Hit

Those close to the situation say they can't see how Canadian industry can pull through the critical third period if imports are cut drastically.

They foresee some plants closing or curtailing operations. Manufacturers using large quantities of U. S. sheet steel will be hit hardest: automobiles, refrigerators, washing machines, range, steel office furniture, etc.

Even today, before the full effect of the coal strike is felt, (steel being used today was made before the strike) many firms are operating on a day-to-day basis

One of Canada's biggest manufacturers got only 10% of its May allocation from one supplier. In June it didn't get a pound from another. Only a cushion it had built up saved the plant from closing and throwing 4,000 people out of work.

Now the cushion is gone. If there are any more bumps, the ride is going to be rough. Scores of other firms are in the same predicament, operating from hand-to-mouth.

Effect Like Time Bomb

Causing considerable concern also, is the fact that many Canadian businessmen don't appear to be fully aware of the serious implications. Because the coal strike is over, many have forgotten that its effect on steel production isn't felt for three months.

This week in Detroit, the giant Fisher body works of General Motors closed down; the second seven-day shutdown for Fisher because of lack of steel.

But overshadowing this serious but only temporary crisis are much darker clouds: the European Recovery Program, the U. S. Defense rearmament program

(Continued on page 2, col. 4)

Inside News

How Fare Maritimes?

What's the score on the Maritimes? This week's Financial Post analyzes the economic standing of the Dominion's three most easterly provinces; and Post editors take a look at prospects for production, for income, for growth in the Maritime economy (pages 25 to 37).

How to Stop Socialism?

Is Socialism gaining ascendancy in Canada? If so, what is the answer? Coalition between the old parties? Adoption of the transferable vote? Or better program, better carried out, by the old parties? Financial Post readers discuss the subject, in answer to a questionnaire (p. 8).

Big CCF Machine

One admitted reason for the recent Socialist election victories, is organization. The CCF party machine operates 365 days in the year; 366 days this year. The Financial Post outlines how the organization operates, and the part it played in the recent Ontario election and in federal by-elections (p. 13).

ECA and Canada

What is the European Recovery Program, which will expend $5.3 billions in an effort to restore the war-torn Old World back to a sound economic and political footing? A Canadian authority outlines the program, most extensive of its kind in world history; discusses the Dominion's share in it, and what it will represent to her industry (p. 38).

What's Fair Insurance?

On what basis should fire insurance be paid? For instance, insurance taken out in 1939, say, and based on prevailing costs at that time, would not cover present-day replacement costs. This, and other timely topics, were discussed at the recent annual meeting of the Canadian Manufacturers' Association (p. 18).

Check Your Cheques

Watch your cheques! Forgers and cheque raisers are active throughout Canada today; are concentrating particularly on stealing and cashing government cheques, whose intended recipients may not know until long afterward, that these have gone astray. The Financial Post's banking editor warns of many rackets in current operation (p. 19).

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Dosco Breaks 11 Output Records

MONTREAL (Staff) — Open hearth operations at the steel plants of Dominion Steel & Coal Corp. at Sydney, N.S. showed a monthly ingot production mark of 53,774 tons in May. The previous high was 51,802 in May 1940. Three blast furnaces shattered a six-year record by producing 40,379 tons, edging the previous mark of 39,866. Eleven production records were broken during May, P. J. Power, industrial relations superintendent announces.

Pace of Business

Firmer stock prices are being experienced on Canadian exchanges as New York stocks work into new high ground. Base metals by midweek had established a new 1948 TSE high, while golds had recovered a little after setting a 1948 TSE low Monday. Western oils, utilities and paper stocks proved a little better over period of a week.

Steel output dropped to 264,300 tons in April from 286,000-ton March total, but showed a fair gain from 252,200-ton total in April, 1947, DBS reports.

Newsprint production in Canada during May was 388,461 tons, an increase of 3,941 tons over the same month last year. Shipments were 397,706 tons as against 440,763 in May, 1947.

Electricity output of central electric stations at 3,733,137,000 kwh in April showed a slight increase over the 3,727,377,000 kwh total of April, 1947, but was down slightly from 3,764,129,000 for March, 1948.

Montreal had highest cost of living of any large city on May 1, according to DBS, with index figure of 157.4; followed closely by Saskatoon with 156.5; Vancouver, 153.5; Saint John, 151.5; Toronto, 150.5. (Canadian index stood at 152.1 on same date.)

Retail trade showed a gain of 13% for April, over April, 1947. Department store sales moved up 20%, apparel shops 19%, food and clothing stores 15% and 14% respectively.

Car loadings in the eastern division stood at 54,936 cars for the week ended June 5, 1948, a gain of 5,310 over the previous week and a 5.8% increase (3,022 cars) over corresponding week of last year.

Gold production in Canada during March totaled 288,060 fine ounces ($10,082,100) against 261,603 fine ounces in February and 263,869 ounces, March, 1947. March production comprised 257,260 fine ounces from auriferous quartz mines and 30,800 from base metal mines.

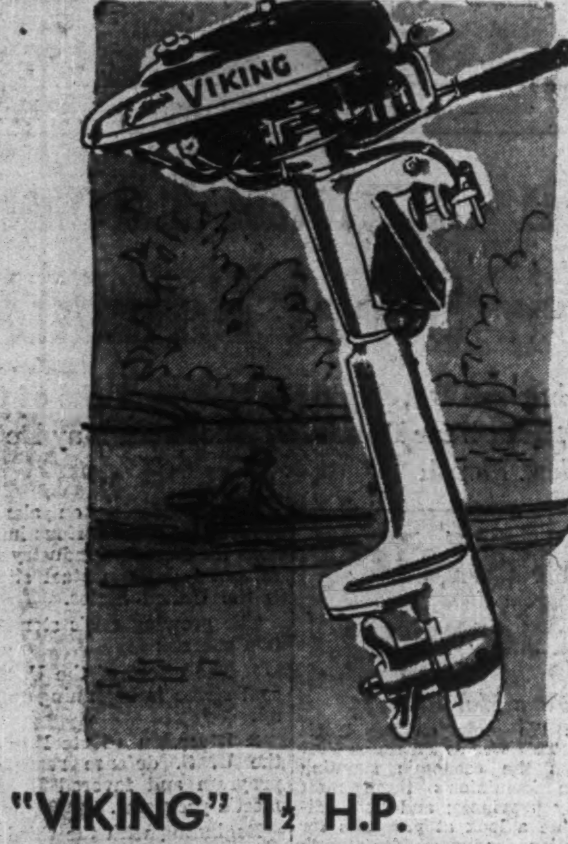
Corporate Book Now Off Press

Coverage of more than 1,600 Canadian companies is contained in the 22nd annual edition of The Financial Post Survey of Corporate Securities, just off the press.

Included in the survey are reports on some 50 new companies, continuing the trend of the past few years in which Canadians have been offered for the first time securities in many former private and family corporations These reports give information which was not previously available. As in previous editions, an eight-year record of the price range of Canadian industrial stocks is included.

Published by The Financial Post, 481 University Ave., Toronto 2, this book is available at $2.

EATON'S



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EATON'S

Massey-Harris Co. Record Year Seen

Sales of Massey-Harris Co. for the first six months of the fiscal year ending Nov. 30, constituted an all-time high, President James S. Duncan reported in a letter to shareholders. Throughout the period the demand for farm implements and tractors continued on an unprecedented scale, taxing the company's increased capacity.

Provided no important deterioration in crop prospects takes place and the scheduled inflow of raw materials is maintained, it can be expected that sales for the 12 months will exceed those of last year by over 50% and that this greatly increased volume will carry with it substantially improved earnings, Mr. Duncan said.

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BRANTFORD CANADA

5,250 Tons Extra Nails Are On Way

See Dosco, Stelco Taking Most of Steel Rod Switched From Fencing

OTTAWA (Staff) — The Government has now put through its anticipated order diverting steel rod tonnage from production of barbed wire and fence wire into nails.

Over-all effect of the new order is expected to divert between 1,100 and 1,200 tons of rod into nail production. Allowing for a 2% conversion loss this should eventually boost nail output in Canada by about 21,000 (100-lb.) kegs a month. This is roughly 15% of the present output of 140,000 kegs monthly.

The new order covers the so-called "building period" from June 1 to Oct. 31. In this five-month span, steel rod producers (Stelco at Hamilton and Dosco in the Maritimes)) are required to divert half of their barbed wire production and one-third of their ordinary fence production to manufacture of nails. The base period in which these percentages is calculated is the four months starting Jan. 1, and ending April 30.

There is a further stipulation in the order that under no circumstances shall the order have the effect of reducing the output of farm fencing more than one-third of what it was in the base period.

Chances of this extra tonnage being available to boost output of the two independent firms in Ontario and B.C. are considered slim. It is expected here that Dosco and Stelco will be able to take up the available rod in their own nail plants by working extra shifts, etc. At present the B.C. plant has been in some difficulty with its supplies of rod due to the floods.

Green Light For Projects

(Continued from page 1)

ing machines is to establish a plant in Canada for the manufacture of his products. The Canadian plant will supply most of the export markets already established by the parent company and at the same time will manufacture repair parts for the world market including United States."

Noiseless Typewriters: "One of the largest U.S. companies is establishing a plant here to manufacture noiseless typewriters to supply its entire market for this type of machine."

Other manufactured products: "Similar developments are occurring in other fields such as: fountain pens, pencils, various publications, etc. which are to supply foreign markets already established by U.S. parent companies.

"Expansion now under way in still other industries will reduce our dependence on imports and will increase our exports. Some of these are: petroleum products, industrial chemicals, pharmaceuticals, ophthalmic lenses, machinery, tools, hardware, food products. In many of these plants, products never before made in Canada, will be manufactured here."

Canada Facing Steel Famine

(Continued from page 1)

and top-priority U. S. projects such as railroad cars, housing and petroleum.

What these will do to the over-all steel picture is anybody's guess; but steel people in the East are sure it will be anything but pleasant.

Earmarked for Europe

The ECA program alone calls for diversion of between two million and six million tons of steel to Europe in the next 12-15 months. This, with the priority programs can only mean less steel all around, particularly in Canada. The U. S. industry is already operating at close to capacity. New production facilities won't be available for some time.

For all practical purposes, Canada is treated now on the same basis as U. S. domestic customers. No export permits are required to ship to Canada. Thus Canadian shipments are not included in the 5 millions tons of U. S. steel being exported for foreign countries.

Like One of Family

This means that unless something unexpected happens, such as a strike, or a major unheaval—in ECA for example—Canadian consumers are on the same allocation basis as Americans. They are promised, two or three months ahead of delivery date, so many tons of steel.

As long as this very informal basis exists, Canadians get fair treatment. But if the U. S. Government commandeers several million tons for ECA, it is almost certain to affect this arrangement.

The Financial Post understands that there already has been some pressure on U. S. authorities treat Canada as a foreign customer, instead of domestic. This, say Canadian experts, would be disastrous.

Advice to Importers

Ottawa has been kept fully advised of the trend of events, The Post is told. But so far there have only been informal talks between Ottawa and Washington.

The advice out of Ottawa is that Canadian importers would be well advised to consolidate their position individually with their sources of supply.

It is admitted in Ottawa however, that this picture may change considerably within the next few weeks if Washington decides to revive some form of formal procedure to handle ERP obligations. At present, the general belief is that commitments will be filled through an informal arrangement within the industry. But if snags develop, Washington may be forced to revive the wartime priority system.

PRICES

(Continued from page 1)

see partial controls action at Ottawa.

New car prices — On the heels of Ford price increases, three major U.S. companies announced price boosts this week. Blaming increased material and labor costs, Packard shoved up its prices by $75 to $200, Nash up $75 to $90, and G.M. trucks up $10 to $110. With Canadian companies operating close to the line, Canadians could not expect the price level to be maintained long.

Steel increases of $5 a ton for rods and $12 for plate will go to meet rising industry costs and reduce government subsidies. There is no indication that the boost will be reflected at the consumer level, at least for some time.

Haircuts, too, jumped on the price bandwagon when Toronto barbers advanced their signs upwards from five to ten cents per cut. The minimum price of 65 cents will soon spread to other provincial municipalities.

Fruits and vegetables showed mixed tone, domestics holding comparatively firm and several increases being recorded in the import category.

Strawberries slumped, pints wholesaling at 17c to 18c as against last week's 27c to 30c, and quarts at 30c to 33c (48c-50c).

B.C. Winesaps moved up about 50c to $5.25 to $5.75 a barrel.

Florida Grapefruit set the pace for imports, going up to $4. to $4.25 a case.

Messina Lemons increased $1.25 per case to $6.75 to $7.25.

Look For It Here

June 19, 1948

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ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

Alberta Hotel Association—Geo. W. McLean (Edmonton) president; A. Swinerton (Macleod), Robert McDonald (Edmonton), Chas. B. Guterson (Drumheller) vice-presidents.

British Columbia Power Corp.—A. Bruce Robertson, vice-president and general solicitor.

Crown Trust Co. — Harold J. Howard, manager, Calgary branch; Cecil H. Boucher, estates manager, Calgary.

Canadian Psychological Association — Dr. J. A. S. Bois, president.

Canada Trust Co. — John Hart (Victoria) a director.

Canadian Westinghouse Co.—K. W. Fraser, assistant to vice-president in charge of sales, Hamilton.

Canadian Bank of Commerce — C. S. Smith, Calgary branch; W. E. G. Nichols, inspector, Alberta division.

Canadian Manufacturers' Association — J. Ward Stewart (Amherst), manager, Maritime division.

Canadian Vickers Ltd. (Montreal)—F. H. Brown (Vancouver), G. M. Brawley, R. K. McConnell (both of Toronto), L. P. Stack, Boston, directors.

Chemical Institute of Canada — Thos. W. Smith (Montreal) president; E. W. R. Steacie, (Ottawa) vice-president; A. Cambron, R. P. Graham, N. M. Carter, D. M. Morrison, M. R. Foran, L. A. Munro, J. C. Honey, directors.

Canadian Maritime Commission—Eric S. Brand, executive director.

Canadian Transit Association — W. H. Furlong (Windsor) president.

Canadian Public Relations Society — G. D. Hulme, president; Philippe Hurteau, Stuart Richardson, vice-presidents; J. R. Heron, treasurer; G. W. Kindersley, secretary.

Canadian National Railways — A. McGregor, mechanical engineer, western region (Winnipeg); A. N. Campbell, mechanical engineer, Montreal; Denis Headley, chief of tariff bureau.

Canadian Wholesale Grocers Association — Bernard Couvrette (Montreal) president.

Dominion Council of Professional Engineers — Prof. Frank Forward (Vancouver), president; Julian Garrett (Edmonton), vice-president.

Dominion Government — Hon. Jas. A. MacKinnon, Mines and Resources Minister; Hon. Robert Mayhew, Fisheries Minister; Thos. Reid Parliamentary assistant to National Revenue Minister; Leslie Mutch Parliamentary assistant to Veterans' Affairs Minister; J. W. McNaught, Parliamentary assistant to Fisheries Minister.

Electrical Contractors' Association of Quebec — Rene S. Bouvrette, president.

Ernest Pitt & Co. (Montreal) — W. J. Kent, member, sales staff.

Fire Underwriters' Investigation Bureau of Canada, Inc. — J. H. Harvey, president; R. L. Young, F. E. Duffy, vice-presidents.

General Accountants' Association (Toronto Branch) — J. V. Willis, chairman; R. R. Gillespie, vice-chairman; F. H. Frankling, secretary-treasurer.

Genser & Sons Ltd. (Winnipeg) —J. E. Castelane, manager, automatic heating department; E. D. McFee, manager, carpet and linoleum department.

G. E. Barbour Co. — Rupert W. Warnock, special representative, Western Nova Scotia.

Gideons of Canada — Roy C. Spatzel (Kitchener) vice-president.

General Motors Master Salesmen' Club — A. S. Jeffery, president Quebec division; W. H. Scarff, vice-president.

International Association of Public Employment Services — B. G. Sullivan (Toronto), president.

Imperial Tobacco Co. of Canada —Edward C. Wood, executive vice-president.

Lakeside Milling Co. — E. Earl Moase, Ontario sales supervisor.

Moore Corp. — R. A. Laidlaw (Toronto) a director.

Manitoba Municipal and Public Utility Board — D. L. Mellish, chairman.

Mutual Life Assurance Co. of Canada — A. E. Pequegnat, general manager.

Montreal Curb Market — G. S. Lynch, a member.

Manitoba Industrial Development Board — Daniel Sprague, chairman; F. V. Seibert, J. W. Sanger, vice-chairmen.

Norwich Union Life Insurance Society — Albert Sigouin, manager, Montreal and district; J. Ross Stewart, branch manager, London and district; Maurice Pocklington, acting manager, Hamilton branch; C. A. Anderson, manager, Barrie and district.

National Film Board—Tom Miller, in charge of theatrical distribution, Western Canada.

Provincial Transport Co. (Montreal) — Roch Tremblay, vice-president and secretary.

Ramsay-Matthews Ltd. (Winnipeg)—J. Bruce Bracken, an associate.

Radio Manufacturers Association of Canada — F. R. Deakins, president; R. A. Hackbusch, vice-president.

Ridley College (St. Catharines) —J. R. Hamilton, headmaster.

Robinson, Douglas & Co. (Toronto) — N. J. Robinson, J. M. Douglas, partners.

Supreme Court of Saskatchewan —A. I. Procter, a justice.

Sovereign Life Assurance Co. — J. Gordon Thompson, district supervisor, Calgary.

Supreme Court of New Brunswick — Mr. Justice Chas. T. Richards, Chief Justice.

WAR SAVINGS CERTIFICATES . . .

YOU CAN *Still* SAVE THEM

When you bought War Savings Certificates, you did so, not only to bring Victory, but to put something aside for the future.

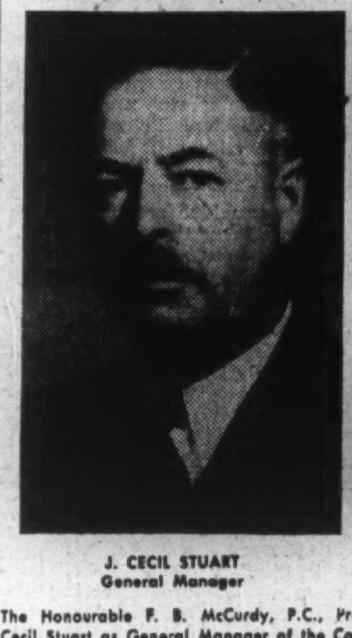
Why not let those certificates continue to do a savings job for you? Instead of mailing them month by month to Ottawa as they mature, bring them to your nearest B of M branch. For a small service charge we'll handle their redemption and put the money in a Savings Account for you. There it will continue to earn interest and serve as a nest-egg for your future.

"MY BANK" B of M

BANK OF MONTREAL

WORKING WITH CANADIANS IN EVERY WALK OF LIFE SINCE 1817

THE HALIFAX INSURANCE COMPANY ANNOUNCES NEW APPOINTMENTS



J. CECIL STUART
General Manager

J. E. MACNELLY
Ass't General Manager

D. J. JACKSON
Casualty Manager

The Honourable F. B. McCurdy, P.C., President of The Halifax Insurance Company, announces the appointment of J. Cecil Stuart as General Manager of the Company. Mr. Stuart is well known in insurance circles throughout Canada. Following four years overseas service as an Infantry Officer in 1919, he joined the staff of The Dominion of Canadu General Insurance Company, served as Inspector in Western Ontario, in Ottawa and Eastern Ontario, as Branch Manager at Vancouver and Montreal, and has been General Superintendent of the Company since 1931.

Mr. MacNelly has been Assistant General Manager since leaving the RCNVR in 1944.

Mr. Jackson was appointed Casualty Manager on May first. He served previously as Assistant Underwriter with the Canadian Surety Company and during the last three years as Chief Underwriter and Assistant Casualty Manager of the Indemnity Insurance Company of North America.

We recommend the

COMMON SHARES CAPITAL STOCK, N.P.V.

OLD COMRADES BREWERY Limited

(Incorporated under the laws of the Dominion of Canada)

These features are important to the Investor

MODERN BREWERY — The brewing plant at Tecumseth, is one of the most modern in North America.

A PRODUCING BREWERY — Company is now in production.

FINANCES — Company's financial position is strong.

MARKETS — A ready market exists for the company's products in Western Ontario, and the United States market is in close proximity.

Brewing operations are in the hands of Mr. Joseph Schneider, an outstanding and experienced Brewmaster.

The shares of this company represent excellent possibilities for market appreciation.

Bought - Sold - Quoted

We act as principals in all transactions in this company's issued shares.

Recently we issued an interesting FOUR page folder which contained factual information pertaining to the brewing industry. This was particularly designed to show the relative future potentialities of this NEW COMPANY. The demand for copies of this bulletin was greater than we expected, and in order to meet the many requests, we have reprinted a limited quantity.

A copy of this bulletin will be forwarded to you on request.

W. D. LATIMER & CO. LIMITED

President: W. D. Latimer — *Secretary-Treasurer: W. H. Wright*

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244 Bay Street Toronto Ontario Canada

Telephone: ADelaide 8891-2-3

Private Wires to Ottawa, Kingston, Montreal

Report Czech Communists Make Terms With Church

By M. R. CHIPMAN

The following article is cabled from Praha, capital of Czechoslovakia, by M. R. Chipman, Montreal manager of the Maclean-Hunter Publishing Company Limited, who is now touring Europe.

PRAHA — I was present on Monday of this week when, immediately after his election, President Klement Gottwald of Czechoslovakia inspected troops and police in the castle courtyard; and I was inside the adjacent St. Vitus Cathedral for the brief and colorful ceremonial Te Deum presided over by Archbishop Josef Beran.

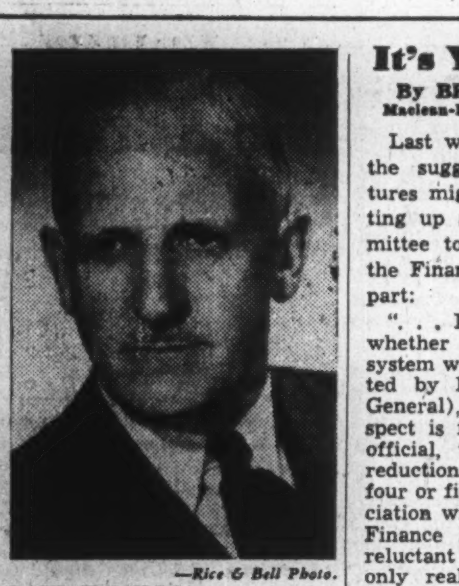
The Presidency climaxes the career of Gottwald, who began as a carpenter's apprentice, and who has been a Communist since 1921. Interestingly enough, in his short, black morning coat he looks like a subdued edition of Premier Maurice Duplessis of Quebec. The new President and his buxom wife sat on chairs in front of the altar. Mme Gottwald was dressed in a black tailored suit and black felt hat, and carried a bouquet of red roses.

Foreign diplomats present possibly conjectured on the long-term meaning of this eventful day, as Czechoslovakia followed the Red Star of the East. With Czechoslovakia more than 60% Catholic, there is speculation as to the meaning of the Cathedral ceremony. It is not yet clear whether the Church is giving approval, previously withheld, to the new regime; but the ceremony may help to bring co-operation in vital controversial matters, such as education.

I am informed that the Archbishops obtained written assurance that in return for the gesture of the church service, and the ringing of the church bells, the Government will not put into effect its earlier plan to control the education of Catholic youths in their formative years.

The voting for Gottwald's election took place in Vladislav Hall in Praha Castle, with members of the Government and foreign diplomats present. A show of hands gave acclamation to the vote, since there was only one candidate. Gottwald took the oath of office in the new form, prescribed by constitution which he signed after his predecessor, Eduard Benes, had refused to approve it.

In Rome last week, and in conversation with many Western Europeans and Americans, I heard the proposed reduction in the European Recovery program termed "incredible." It is a chill wind which literally blows no one good, raising doubts as to the consistency of American pledged policy. The Star of the East must not fall.



—Rice & Bell Photo.

PAUL H. MILLS

is president of the Toronto Mendelssohn Choir. Other officers elected at the annual meeting are Dr. Edward Johnson, honorary president; F. R. MacKelcan, honorary vice-president; F. J. Coombs, honorary treasurer; E. G. Lidstone, Herbert F. Secord, vice-presidents; Griffin W. Jones, secretary-treasurer.

It's Your Money

By BRUCE MacKINNON
Maclean-Hunter Editorial Research

Last week, in turning down the suggestion that expenditures might be curbed by setting up a parliamentary committee to comb the estimates, the Finance Minister stated in part:

". . . I question very much whether the adoption of the system which has been suggested by Mr. Sellar, (Auditor General), high though my respect is for that very capable official, would result in any reduction in expenditure. After four or five years of close association with the Department of Finance I have come to the reluctant conclusion that the only real check on expenditures lies with the Minister of Finance first, and the Treasury Board second."

The taxpayer may be interested in knowing what has happened in the past four years. Here are a few samples from the public accounts of fiscal 1945 against the estimates for fiscal 1949; taking ordinary expenditures only:

	Spending 1945 $	Estimate 1949 $	Inc. %
Dept. and Branch			
Agric. Admin.	125,890	234,297	86.1
Agric. Publicity	101,727	195,013	91.7
Civil Service Comm'n - Sal. and Conting.	441,021	676,220	53.3
Finance-Admin.	527,410	997,990	89.2
Finance Comptroller of Treasury	3,121,728	9,986,000	219.9

These examples are not picked because they are extreme, but because they are typical of what has happened to the cost of running routine departments of government, the sort of departments which should be most easily controlled if the system were efficient.

Total ordinary expenditures for 1945 were $767.4 millions. Main estimates for 1949 ordinary spending are $1,491 millions, a rise of 94.3%.

There is room for debate as to whether the recommendation of Mr. Sellar for a parliamentary estimates committee would work. But there seems little doubt that the present method of curbing expenditures has proved ineffective.

Toronto Brick Peace Ahead?

Business and building in Toronto district this week faced possible shutdown of brick and stonelaying operations. If strike threats materialized and other trades "respected" bricklayers' picket lines, many other major building labor functions in commercial and industrial construction might be slow or might stop.

But hope grew in building circles at midweek that ground for another sawoff might be found. General contractors, mindful of recent settlement with plasterers—involving a "generous" concession on building costs —thought peace might be achieved by compromise.

Compromise in this instance may cost building enterprisers 13 to 15 cents an hour more for time of bricklayers and stonemasons, or an increase from $1.60 to $1.75 an hour. The contractors (mainly members of Toronto Builders' Exchange) have offered only 7c. But the union has insisted up to this point on a 20c hike to $1.80 as its minimum demand, a backdown from the 30c it asked originally. Thus, there is at this writing a 13c an hour wage increase gap at issue between labor and management.

Hope in construction circles is that no prolonged slowdown of brickwork is in prospect.

W. Ontario University Builds 'Physical' Wing

At London, Ont., University of Western Ontario has started building its $1 million Thames Hall physical education wing. The building, designed by Architects O. Roy Moore & Co., and being erected by Contractor Pigott Construction Co., will stand two stories and high basement, with about 162,000 sq. ft. of floor area, reinforced concrete, steel and stone.

Advertising

Floods handed a challenge to B. C. advertising men — and they've been meeting it!

Scant hours after Austin C. Taylor's B. C. Flood Emergency Committee set a $1 million objective for the alleviation in a small degree of the widespread damage, wires were alive with copy for half-page advertisements for every daily and weekly newspaper in the province. All space was donated by the papers.

Agencies asked clients to include flood-relief appeals in their regular advertising. Advertisers co-operated.

Radio, window streamers, street car boards, 24-sheet posters—all are being used to highlight the need for immediate aid.

* * *

J. Walter Thompson Co's vice-president and director, Robert M. Campbell, has assumed active control of the JWT radio department at Toronto "because of the growing importance of radio and the many complications which the company sees in this field in the months ahead." Iris Alden (Mrs. Gordon Tanner), formerly director of the department, has left to do radio work in England with her husband.

Terry Gillott, formerly Radio Traffic for JWT, assumes charge of general administrative detail in the department. John Lyons, who entered JWT some months ago with radio department steps up as apprentice producer.

* * *

Harold F. Stanfield Ltd. (Toronto) appointed to handle advertising for the Way Sagless Spring Co. Plans for 12-month campaign, now in formative stage, will include national magazines, both English and French, and trade papers. Copy will feature the "400", "300", and "200" line of quality mattresses introduced to Canadian market last year.

* * *

Erwin, Wasey of Canada Ltd. (Toronto) moves offices to 1170 Bay St. Telephone number is unchanged; RA 5187.

Tariff Board Vacancies Soon To Be Filled

OTTAWA (Staff)—The Government's bill to reorganize the Tariff Board involves no important change in function or principle. It does presumably precede the appointment of two commissioners, in order that the Board may once again function.

Because there is presently only one commissioner (Chairman Hector McKinnon) the board has been unable to function since it has no quorum.

Changes sought in the amendments now before Parliament affect only internal organization, salaries, appointments to the staff, etc. Staff appointments in future are to be made through the Civil Service Commission and not by appointment. This change has been recommended by Commissioner McKinnon and is in line with present government practice to centralize hiring of personnel for government boards and corporations through one channel.

Salary of the chief commissioner is raised from $12,500 to $15,000 in line with increases in other top-ranking senior government officials. Changes are being made in pension provisions in line with recent changes affecting government employees generally. Previously commissioners were on a non-contributory pension arrangement. There is no change in the number of commissioners which is left at three.

INTERNATIONAL PETROLEUM CO. has had an additional 200,000 no par value common shares listed on the Toronto Stock Exchange, bringing total listings to 14,524,088 shares. By supplementary letters patent on May 11, 1948, the issued 200,000 $2.50 par value preference shares were changed into 200,000 no-par value common shares.

Boroughs Studied For Toronto Area

Will Canada's suburban municipalities join their parent centres in sharing plans, costs and administration of water, sewage disposal, police, fire protection and other major public services?

That concept—borough government, as practiced in New York, London, Paris and Berlin, and as approached in recent years by Montreal—got an important boost in the Toronto area last week, with agreement in principle by nine municipalities that the system is at least worth close study.

A conference of most of Toronto's suburban mayors and reeves agreed to share costs of a fairly detailed study of how borough planning is applied in other major metropolitan areas, the survey to be undertaken by Toronto Advisory Council, headed by R. C. C. Henson.

Need Two More Trade Fairs To Decide if it Will Stick

OTTAWA (Staff) — It may be 1950 before a final judgment can be formed on the merits of the International Trade Fair as a permanent Canadian institution, many believe here.

There is no difference of view as to the desirability of holding a second Fair next year. There is also every prospect that a third will be held in 1950. By that time it should be possible to assess the pros and cons of making this Canadian innovation a permanent and annual institution.

On a strict operational basis, it is thought the 1948 Fair will come pretty close to breaking even. Even after allowance for unexpected costs, the loss on the show itself is expected to come within $25,000 or $50,000 of balancing expenses.

But this does not take into account about $150,000 of public money spent last year to publicize the Fair, and included under general departmental publicity costs.

In 1947-48, $100,000 was put in the estimates to cover the cost of the Fair. Most, if not all of this, was recoverable through rentals of exhibition space. A further $150,000 was added to include advance publicity.

In the 1948-49 estimates, the appropriation for the Fair was upped to $360,000 and departmental publicity was cut back from $300,000 to $150,000. Thus for 1948-49, the fair is expected to carry its own publicity account.

Government thinking is that not all these publicity costs need be charged against exhibitors, since there is a considerable general benefit and advantage to all Canadians, in the general promotion and development of trade via the fair.

FOUNDED 1829

Upper Canada College

Toronto, Canada

A RESIDENTIAL AND DAY SCHOOL FOR BOYS, AGED 7 - 18

Junior and Senior Matriculation: Games for all boys: Fireproof Residences: Well equipped classrooms: Modern Gymnasium: Swimming Pool. Examinations for scholarships and bursaries are written in April each year. Autumn Term opens Wednesday, September 15th. For Prospectus please apply to

L. M. McKenzie, B.A., *Principal.*

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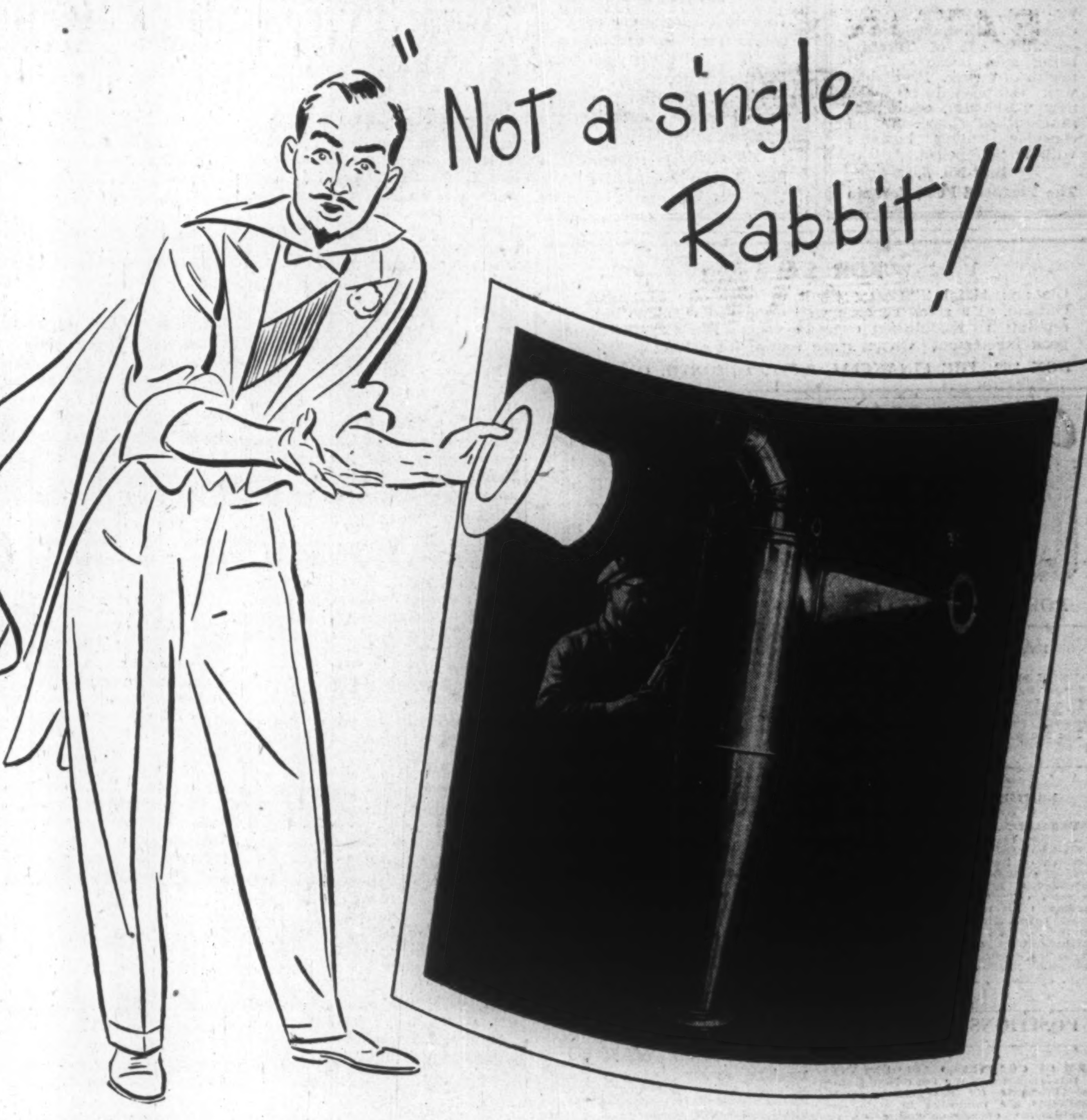

THERE is no mystery, no legerdemain, about the way special machines to do special jobs for various industries are produced by Canadian Vickers. It is all a matter of having the men, materials, machinery and know-how ... all working together in one harmonious unit. It's as simple as that.

A large dairy company wants some special apparatus? It is designed, plans drawn, stainless steel specified and Canadian Vickers craftsmen go to work. The illustration shows the finishing being done.

Brewers want copper kettles; hospitals want mechano-therapy machines; distillers want distilling columns; candy manufacturers want kettles; food companies want tables, etc. We are told the need ... Canadian Vickers designs and builds the answer.

If you have need of a special machine or industrial equipment of any kind, remember ... *if industry needs it ... Canadian Vickers builds it.*

CANADIAN VICKERS LIMITED
HEAD OFFICE - MONTREAL
Representatives in principal cities

SPECIAL MACHINES • INDUSTRIAL BOILERS • ENGINES • INDUSTRIAL METAL WORK • MINING MACHINERY • SHIPS • MARINE MACHINERY

STAIRS Carries the Most Complete Stock of Shelf and Heavy Hardware in the Maritimes!

BUILDERS' HARDWARE: LOCKS AND LATCHES, HASPS AND HINGES, DOOR CLOSERS, SASH TRIM, CABINET FITTINGS, GARAGE DOOR EQUIPMENT

WARES: GALVANIZED WARE, ALUMINUM WARE, ENAMEL WARE, TIN WARE, SMALL WARES

MECHANICS' TOOLS: PLANES • LEVELS • SQUARES • SAWS • HAMMERS • FILES • CHISELS • PLIERS • WRENCHES • SCREW-DRIVERS • BRACES AND BITS • BREAST AND HAND DRILLS.

FARM TOOLS: GARDEN TOOLS, HOES • RAKES, FORKS • SHOVELS, SCYTHES • SNATHS, SCYTHE STONES, DAIRY PAILS

GLIDDEN "JAP-A-LAC" PAINTS: INSIDE AND OUTSIDE PAINTS, VARNISHES, ENAMELS. INDUSTRIAL FINISHES. PRIMERS AND PROTECTIVE COATINGS. CASEIN & WASHABLE WATER PAINTS. (Glidden Paint)

BRUSHES: PAINT • WIRE, SCRUB • TAR, COUNTER • RADIATOR • HORSE, STOVE • WINDOW, SANITARY

CLEANERS: HAND CLEANERS • PAINT & BRUSH CLEANERS • FLOOR & WINDOW CLEANERS, WAXES • POLISHES. (WAX)

MARINE SUPPLIES: RIGGING GEAR • ROPES • CABLES • DUCK AND CANVAS • PORTLIGHTS AND HINGES • DECK FITTINGS • ANCHORS AND CHAINS • BRONZE SHAFTING • BRASS AND COPPER SHEETS AND BARS.

STEEL PRODUCTS: BLACK AND GALVANIZED RODS, BARS, SHEETS, PLATES, BOLTS, SCREWS, NAILS, WASHERS, RIVETS, FENCING, HOOP IRON. (DOSCO) (STELCO)

"CARBORUNDUM" PRODUCTS: KNIFE SHARPENERS, EMERY WHEELS, SCYTHE STONES, OIL STONES, POCKET HONES, RAZOR HONES

LUMBERMEN'S SUPPLIES: AXES • SAWS, PEAVIES • CHAIN, TIMBER CARRIERS, CAMP UTENSILS

CONTRACTORS' EQUIPMENT: SHOVELS • PICKS • BUCKETS • WHEELBARROWS • WIRE ROPE • ROOFING • SHINGLES • FORM WIRE • BUILDING PAPERS AND SPECIALTIES.

STAIRS

THESE are merely the highlights of the 6000 odd items of our hardware stocks alone (not counting Machinery or Plumbing and Heating Supplies) which we regularly carry to service our thousands of customers in the Maritime Provinces and Newfoundland.

WM. STAIRS, SON & MORROW, LIMITED
Wholesale Hardware, Machinery, Plumbing and Heating Supplies
HEAD OFFICE: HALIFAX, N. S. BRANCHES: SYDNEY, N. S., and SAINT JOHN, N. B.

MOTOR TRANSPORT

For Sale $150,000. P.C.V. Class A and unrestricted C, operating out of Toronto, being sold because of ill health of owner. Profitable, well established business, new warehouse, equipment in excellent shape. Would consider selling business without warehouse.
Box No. 5,
The Financial Post, Toronto

COMPTROLLER WANTED

Toronto trust company needs senior man in accounting and internal audit position. Experience necessary. When applying, give full particulars of training, experience, age and salary desired.
All replies confidential.
Box 8, The Financial Post, Toronto

FOR SALE

Die and Metal Stamping Plant in large city in Southern Ontario, as a going concern well organized with the best of reputation. Established over 15 years. Price $50,300.00, a good investment. Owner's age reason for selling.
BOX 269, THE FINANCIAL POST, TORONTO, ONTARIO

Classified ADVERTISEMENTS

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

POSITIONS WANTED

EXECUTIVE ASSISTANT AVAILABLE

YOUNG LAWYER with professional training in business administration seeks position as an executive assistant. Presently associated with large legal office in Montreal. Highest references. Apply Box 6, The Financial Post, Toronto 2, Ontario.

BRITISH EX-SERVICEMAN WANTS JOB!!!

ADVERTISER ANXIOUS to live in Canada, wishes to contact firm or manufacturers who need a thoroughly experienced salesman or travelling agent. Advertiser is fully experienced with all classes of merchandise, interviewing and building up sales organization. Ready at once. Married (wife and two children who would come later) perfectly fit, good physique. Right ideas and will tackle anything with opportunities. Vital to get started, highest references. Write: S. Weinbabe, 12 Pangbourne Drive, Stanmore, Middlesex, England.

POSITIONS AVAILABLE

FIRM OF CHARTERED ACCOUNTANTS in Toronto has opening for recent graduate. Prospects for advancement good. Applicants are requested to state age, qualifications, experience and salary required. Applications will be treated in confidence. Box 242, The Financial Post, Toronto.

BUSINESS OPPORTUNITIES

FOR SALE

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Canadian Metal Mining Issues Speakers Manual

Canadian Metal Mining Association has gone to considerable pains to provide mining industry executives with accurate factual data on the Canadian mining industry for any speeches they may be called upon to make. It has provided a "Speakers' Manual" which deals with various aspects of the Canadian mining industry. Subjects covered include: Metal Mining's Part in Developing New Areas; The Canadian Gold Mining Industry and the Emergency Gold Mining Assistance Act; Gold Mining and The Development of Canada; Metal Mining in War; Base Metals. It is proposed to supplement this information with further data to keep the mining industry up-to-date on the accomplishments of their industry.

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INVESTMENTS THIS WEEK

Stock Prices Still Cheap By Times-Earnings Measure

Traders and investors who had cashed in on smart market profits built up during the recent prolonged market rally this week were scrambling back into the market again. The reason—they were still optimistic on the near-term outlook and had retired to the sidelines only for an opportunity of getting in again at lower levels on an anticipated market setback. Now it began to appear that the setback could only develop from higher levels.

Indicative of the change in public market psychology which started to show early in May, has been the action of the market on almost every day when prices have shown a sagging tendency. Volume has dried up, only to pick up sharply again on a renewed price uptrend.

Behind most investment thinking today is the idea that stock prices for over a year now have been hindered from reflecting true corporate operating conditions by a combination of factors, chief of which have been a tense international situation and a fear of early recession. To the extent that these fears are overcome, the market should get back on old traditional lines where prices more closely reflect earnings and dividend outlook.

In the final analysis, the acid test of the stock market is its relation to earnings. On that basis, prices still appear cheap—if one is to go by former yardsticks. For instance, as at the close June 15, the combined 20 stocks which make up the Toronto Stock Exchange industrial average were selling at only 8.04 times 1947 earnings (earnings are running higher in 18 of these issues this year). At March 17 low levels these issues were selling at 7.1 times 1947 earnings. From all available records it would appear that this ratio of market prices to earnings set a new low record. In 1937, when industrial activity was at substantially lower levels the ratio ranged from a high of around 15 to a low of nine.

Although the ratio standard varies for different industries and different stocks within the industries, a price around 10 times earnings has been generally accepted as representing a good guidepost ratio in normal times.

Realization of the modest times-earnings ratio existing in many stocks today, plus high operating levels indicated for several important Canadian industries for another year or two, are potent factors inviting speculative and investment money into the market place.

From a comparison of DBS stock indices over the last two months, it is easy to see into what industries the investment money is being channeled; from March 18 to June 15 stock prices in the machinery and equipment field have advanced 35.14%; in oil refining 23.4%; in base metals 21.68%; in pulp and paper 19.20%.

* * *

Dom. Woollens Earnings Estimated Twice 1947

Earnings per share of Dominion Woollens for 1948 will be about double those in 1947, according to estimates in a bulletin issued by Gairdner & Co. Net profit in 1947 was $1.82 per common share, after setting aside equivalent of $3.14 per share in an inventory reserve.

Estimates are based on the advances in employment, payroll and production in the woolens and worsteds industry in the first quarter of 1948, together with an estimate of a continued high level of demand in the domestic market. Earnings prediction takes into account a proportionate appropriation towards inventory reserve, it is stated.

Increased dividend rate is expected to begin with the August quarterly payment, the bulletin adds. At the recent annual meeting, Henry Barrett, president, said he would recommend to the incoming board of directors that the quarterly dividend rate be increased to 25 cents a share from the present 20 cents.

* * *

Average Stock Yield Now at 5.3% Level

Average yield on all groups of dividend-paying stocks on The Toronto Stock Exchange, as compiled by Moss, Lawson & Co. on prices of June 14, rose by .05 to 5.30% during the past week. The current yield compares with 5.25% one month ago and 4.73% last year.

Gain in the over-all average yield was due mainly to the sharp drop in prices for leading gold stocks, which raised the yield on the mining group by .26 to 5.36%. The current yield on mines is the highest since April 19 and compares with 5.07% last month and 4.33% one year ago.

* * *

Irving Oil Co. annual report depicts an extremely profitable operation in year ended Jan. 31, 1948, with final earnings approximately 30% above the preceding year. However, absence of directors' remarks leaves shareholders' pretty well in the dark as to what transpired during the past fiscal year.

* * *

Chateau-Gai Wines has used photographs, charts and color in presenting an unusually attractive annual report to shareholders. Use of a champagne bottle to depict distribution of dollar of sales in past fiscal year is rather novel. However, some mention of sales trend would be helpful information to stockholders.

COMPANY REPORTS

IRVING OIL CO. net earnings of $1,642,394 in year ended Jan. 31, 1948, were substantially above the previous year. Net profits, at $536,987, were 29.8% higher. Common stock earned $11.44 a share, against $8.52 a share, after allowing for preferred stock (redeemed Sept. 30, 1947) participation of $1 a share.

Working capital fell off $395,702 to $1,478,031 at end of fiscal year, while investments and advances were down roughly $9,000 to $426,585.

INCOME ACCOUNT

Years Ended Jan. 31:	1948	1947
Net earnings	$1,642,394	$1,302,374
Less: Deprec.	497,972	527,942
Invent. res.	182,435	26,734
Pref. s. f.	......	15,000
Income tax	425,000	318,997
Net profit	536,987	413,701
Less: Pref. divds.	10,568	16,272
Surplus for year	526,419	397,429
Earnings per Share and Dividend Record:		
Pref.: Earned‡	$2.25	$3.00
Common†	11.44	8.52
None paid.		

‡Redeemed Sept. 30, 1947. †After pref. participation.

CONDENSED BALANCE SHEET

As at Jan. 31:	1948	1947
Cash & Dom. bds.	$1,730,000	$2,131,054
Accts. rec.	606,769	411,382
Inventories	1,305,930	1,119,201
Total curr. assets	3,642,699	3,661,637
Invest & adv.	426,585	435,440
Misc. assets▲	305,444	291,127
Fixed assets	7,109,233	5,952,025
Total assets	11,483,961	10,340,229
Bank overdraft	56,921	......
Accts., tax., pay.	2,107,747	1,787,904
Total curr. liabs.	2,164,668	1,787,904
Deferred liabs.	88,588	81,425
Depr. res.	4,535,408	4,227,411
Other res.	833,541	650,826
Capital stock	323,449	399,749
Capital surplus	500,000	320,871
Earned surplus▲	†3,038,307	2,672,043
▲Incl. ref. EPT of	35,540	35,540
†Reflects transfer of $179,129 to capital surplus for redemption of preferred shares.		
Working capital	1,478,031	1,873,733

BAR-LAN GOLD MINES has completed 20 short drill holes on Nos. 8 and 10 veins on its property in Barraute twp., Que. Work reveals No. 10 vein as a zone of impregnation of gold values varying in width from 58 ft. in central portion of drilled area, to 8 ft. in eastern extremity and 28 ft. in more westerly drilling. Additional drilling from surface remains to be done in order to explore fully the extensions of veins 8 and 10; and further surface trenching and drilling is required on vein 25. On completion of this work company engineers have recommended that north shaft be dewatered and further exploration carried out underground. Current assets were $165 and liabilities $1,050 at Dec. 31.

Ottawa Electric Redeeming Bonds

MONTREAL (Staff) — Ottawa Electric Railway Co. has called for redemption all its outstanding 2¾% serial bonds maturing April 1, 1949-57. These bonds will be redeemed Aug. 12 at 101 and interest. Original amount of bonds outstanding was $1 million; but $100,000 was paid off on April 1, 1948 when the first serial installment matured.

This issue, together with the $1 million of 3% 20-year sinking fund bonds, was sold over a year ago to refund $1,260,000 of bonds bearing a higher interest rate. The issue was placed privately.

Redemption of the bonds is the result of decision of the city of Ottawa to take over the street railway. It is expected, therefore, that the $1 million of 3% bonds will also be called for redemption, to release the assets now held as collateral.

C.C.M. Sales 20% Higher, Exports Fall

Dollar sales of Canada Cycle & Motor Co. for the first five months of 1948 were up 20% from the corresponding period of last year, The Financial Post is informed. Although some of the increase represents higher prices, there has been a rise in unit volume as well. Production for domestic requirements has not yet caught up to backlog of orders.

It is estimated that export business this year will be down 20% to 25% as a result of import controls and currency regulations. In view of the sizeable prewar export business enjoyed by the company, particularly with United Kingdom, Australia, New Zealand and several European countries, and new export markets opened last year, particularly in South America, the trade restrictions mean a serious setback to an established and expanding export business. For instance, a ready market exists for the company's skating and hockey equipment in Great Britain; but the quota allocated under token permit, is only a fraction of the existing demand. Many of these markets have been temporarily lost, it is said, and will have to be re-established, if and when currency control and import permits are available.

So far, the U.S. dollar saving program has not had any serious effect on company operations. Bulk of products are made in the company's own plant, from raw materials fabricated in Canada. Approximately 85% of the company's major product—the bicycle—is made in Canada, balance being a few equipment items largely imported from Great Britain and from United States. It is estimated that there are approximately one million bicycles in use in Canada today, representing a substantial gain over prewar.

Company operations are currently near capacity, with employment around the 633 level as compared with 612 at the corresponding time last year and 543 in 1938. Plant extension of approximately 55,000 sq. ft. is being considered. New space is required for storage, manufacturing and installation of conveyor equipment for economic handling. At the moment the company has under review a program of machinery replacement to improve operating methods and to increase production. It is hoped this will partially offset increasing labor costs.

See Intervention In Arbitration On M. I. Power

MONTREAL (Staff) — Montreal Trust Co. will intervene in proceedings before the arbitration board early in September on behalf of Montreal Island Power bondholders, it is stated. A recent meeting of bondholders authorized the trustee to intervene on their behalf. The Trust Co. has indicated that its intervention is contingent on adequate funds being provided to reimburse it for expenses.

It is stated that Montreal Island Power had previously proposed to call all the outstanding 5½% first mortgage series A sinking fund gold bonds due May 1, 1957, for redemption, but that foreign exchange difficulties prevented this being done. Several bondholders are U. S. residents, and permission could not be obtained from the Foreign Exchange Control Board for payment of the bonds in other than Canadian funds.

Subsequently Quebec Hydro Electric Commission made an offer to buy the bonds at 101% of the principal amount, with accrued interest, contingent on acceptance by April 1, 1948. Since the offer has now expired, the matter now goes before the arbitration board.

CANADIAN PACIFIC RAILWAY CO. has declared a dividend of 2% on the preference stock in respect of the year 1948, payable Aug. 2, 1948, to stockholders of record at 3 p.m. July 1, 1948.

ALUMINUM CO. OF CANADA announces that it has purchased an additional 1,000 shares of 4% cumulative redeemable preferred stock for the sinking fund account, leaving 575,704 shares outstanding.

Can. Vickers Reorganization Seen Nearer

MONTREAL (Staff) — Some prospect that a plan of capital reorganization of Canadian Vickers would be worked out within the next two or three months, was indicated at the company's annual meeting this week.

Four new directors were elected, representing groups which have direct financial interest in the company. In addition, the preferred and common shareholder groups appeared to be in general agreement on broad principles. Some shareholders feel that the Vickers plan should follow the general outline of the organization now before St. Lawrence Corp. and Paper Mills shareholders.

This would call for two new classes of preferred stock to replace the present 7% cumulative preferred. A first preferred stock would take the place of existing shares and a second preferred would represent the dividend arrears. Accumulated arrears as at May 1 were $122.50 on 17,500 shares; $54.25 on 2,000 shares; $17.50 on 500 shares. It is pointed out that since the new directors represent a substantial financial interest in the company, it will be to their advantage to protect the interests they represent and initiate a plan as soon as possible.

New directors elected were: F. H. Brown, Vancouver; G. M. Brawley, R. K. McConnell, Toronto; L. P. Stack, Boston. They replace H. C. Flood, L. A. Forsyth, E. G. Hanson and the late Hon. J. L. Ralston.

Preferred shareholder J. Arthur Larocque stated that he hoped that whatever is done, the question of payment of dividend arrears on the preferred stock will be looked into soon.

Quebec Phone Offers Bonds

An offering of $1 million Quebec Telephone Corp. 4% first mortgage sinking fund bonds series C is being made by Credit Interprovincial Ltée and Burns Bros. & Denton Ltd. Bonds, priced at 100 and accrued interest, are dated Feb. 1, 1948, to mature Aug. 1, 1967.

Proceeds of issue will be used in part to reimburse the corporation for cost of extensions and additions to its telephone system made since Aug. 1, 1947, and acquisition of all outstanding shares of the Gulf St. Lawrence Telephone Co. and advances made to the latter. Balance will be used in the expansion program of the corporation and its subsidiary to 1950.

The offering prospectus reports company's total revenue for the three months ended March 31, 1948, at $192,235 and net profit, after all charges, of $14,524. Net profit for 1947 was $69,151. It is estimated that for 1948 net revenue before financial expenses and depreciation for the corporation and its subsidiary will be equivalent to more than four times annual interest charges on all bonds to be outstanding on completion of present financing.

The corporation intends to continue its policy of providing additional facilities and of improving and modernizing existing plant and equipment. In particular it plans installation at Rimouski of its first dial telephone exchange in the area served, to be completed sometime in 1949. Development of its telephone services on the North Shore is also to be undertaken by the Gulf St. Lawrence Telephone Co. Anticipated opening of the rich iron ore fields in Northeastern Quebec-Labrador should prove of benefit to the corporation, the prospectus states.

The bonds are to be redeemable prior to maturity in whole or in part by lot at any time on at least 30 days' notice at following percentages of principal amount: 102% if redeemed on or before Aug. 1, 1957; or 101% if redeemed after and on or before Aug. 1, 1962; and 100.50% thereafter.

VILLAGE OF BANCROFT
TENDERS FOR DEBENTURES

SEALED TENDERS marked "Tenders for Debentures" addressed to the Village Clerk, Bancroft, Ontario, will be received at the Office of the Clerk up to eight o'clock in the afternoon, Daylight Saving Time, on Wednesday, the 23rd day of June, 1948, for an issue of Debentures in the amount of $200,000.00.

1.—The Debentures are part of an Issue of $300,000.00 for the purpose of erecting and equipping a High School in the Village of Bancroft to serve the North Hastings High School District, which is composed of the following Municipalities: Village of Bancroft, Townships of Carlow, Faraday, Dungannon, Mayo, Wallaston, Limerick, Township of Herschel and Monteagle, and Township of Bangor, Wicklow and McClure.

2.—The Debentures are dated the 1st day of December, 1947, and mature on the 1st day of December in each of the years 1948 to 1967, both inclusive, in the following respective principal amounts:

1948	$8,000	1958	$10,000
1949	7,000	1959	10,000
1950	8,000	1960	11,000
1951	8,000	1961	11,000
1952	8,000	1962	11,000
1953	9,000	1963	12,000
1954	9,000	1964	12,000
1955	9,000	1965	13,000
1956	9,000	1966	13,000
1957	9,000	1967	13,000
Total			$200,000

3.—The Debentures maturing in the year 1967 are callable on any date prior to their maturity at par and accrued interest.

4.—The Debentures maturing in the years 1948 to 1957, inclusive, bear interest at 3% per annum and those maturing in the years 1958 to 1967 bear interest at 3¼% per annum, payable annually on the 1st day of December.

5.—The Debentures are payable at The Bank of Nova Scotia in Bancroft, or at the principal office of the said Bank in the City of Toronto, and are available for immediate delivery.

6.—The Village will, at its own expense, furnish the legal opinion of Messrs. Daly, Thistle, Judson & McTaggart, Solicitors, Toronto.

7.—Tenders will be considered at the Office of the Village Clerk after the closing hour for bids on the 23rd day of June, 1948, and the Village reserves the right to reject any or all bids.

8.—Tenderers are required to state the price per hundred dollars to which will be added accrued interest from December 1, 1947, to the date of delivery.

DATED at Bancroft, Ontario, this 15th day of June, 1948.

P. A. KELLAR,
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New $65 Million Lepreau Mill to Be N. B.'s Biggest Pulp and Paper Unit

Preliminary surveys for construction of the new 1,000-ton-a day, $65 million newsprint and kraft mill near Lepreau, N.B., will start this month, Ewart C. Atkinson tells The Financial Post. Much of the data for material and manufacturing equipment has already been accumulated and contracts will be let soon.

This project will constitute the biggest industrial development currently proposed in the Maritimes; and its completion will add to New Brunswick's pulp and paper industry its largest individual unit.

The new company, Maritimes Pulp & Paper Mills Corp., was incorporated by special Act of the Legislature this year. Capital stock will consist of 350,000 shares of $100 each, and bond issue of $30 millions will be floated later, probably in the United States, Mr. Atkinson states.

Publishers' Names Secret

The capital is subscribed on the basis of $100 per ton annual production, with the right of the subscriber to receive annually for his personal requirements one ton of product for each share held. Large newspaper publishers and kraft pulp users in United States and overseas are interested in and are behind the project. In order to protect principals, no individual names will be mentioned until the mill is ready to operate, he added.

Output of this mill will be used to take care of expansion requirements of the publisher-shareholders, and so, should not affect existing contracts, Mr. Atkinson states.

In the bill of incorporation, the incorporators were listed as: "John L. Rayward, publisher's agent; W. F. Keene, publisher's agent; and I. B. Purdy, all of New York; Frederick C. Bagley of Augusta, Maine, paper manufacturer; and Ewart C. Atkinson of Fredericton, barrister."

The company proposes to build at or near Lepreau (a small village in Charlotte County) on the Bay of Fundy, a 1,000-ton-per-day tidewater mill divided into 500 tons newsprint and 500 tons kraft pulp. Power for the mill will be generated by coal from Minto and the Nova Scotia coal fields.

Plan Modern Townsite

The company has under control large forest areas in Eastern Canada and in particular in New Brunswick and Nova Scotia, Mr. Atkinson states. The mill will require around 400,000 tons of hardwood and softwood pulpwood per year, which can be brought to it by water and rail. In 1947 New Brunswick exported over 600,000 cords of pulpwood and has for many years been exporting more than 500,000 cords annually, and much of this production so exported should be available for this mill. The company plans to have large forest reserves, to ensure perpetual wood supply. It also plans to erect near the mill a modern townsite for its employees and allied business.

Consultin engineers will be Stadler, Hurter & Co. of Montreal; with work of surveys and plants under the direct supervision of A. T. Hurter, M.E.I.C.

Every effort will be made to have the mill in production by January 1950 and, barring unforeseen difficulties, it is expected this will be possible, Mr. Atkinson states. General manager of the new company will be Frederick C. Bagley.

An average cost of $65 a ton for newsprint delivered is estimated by the sponsors when the new mill is in operation as compared with the current base contract price of $96 in the United States. On this basis publishers would regain their original investment of $100 a ton in four years, after the mill gets into production.

Participating publishers will own the entire equity stock of the company and will at all times, promoters say, receive their newsprint requirements at cost, to the extent of their participation in the company's capitalization. In addition, all profits will accrue to the publishers who are the shareholders.

First Drop in Passengers Since 1935, TTC Reports

Highlights of 1947 operations of the Toronto Transportation Commission were: record gross revenue of $24,803,831 (an increase of slightly more than $300,000 over the previous year); a decrease of 2,524,662 or 0.81% in number of passengers carried on city's streetcars and buses, and a 12.7% increase in operating expenses to a new high of $22,305,179. Income carried to surplus was $269,377 ($296,266 for 1946).

Revenue passengers carried totaled 307,590,938, the first decline in passenger traffic since 1935. The decline on the city system, however, was more than offset by a substantial increase in revenues of the subsidiary, Gray Coach Lines.

In face of abnormal wartime and postwar activity on company's lines, and sharp increase in costs of maintenance and equipment replacement, the report states, "it is impossible to believe that local transportation costs can remain permanently almost the only commodity on the market for sale at prewar prices."

Speaking further about the fare situation: "The average fare on the city system in 1947 was 6.14c, and no city on this continent at all comparable, has a lower fare." In comparison, the average fare at the end of 1947 in the United States and all cities of 50,000 population or larger (except New York) was 8.9c, or 44.78% more than the Toronto average, the report says.

During the year the Commission obtained delivery of 192 trolley coaches, motor buses and motor coaches, which substantantially improved the service during the year. But more equipment is still needed, the report states. Additional orders at the end of the year included 200 streetcars, 16 electric trolley coaches, 40 gasoline buses and 63 motor coaches, representing a total expenditure of some $9.5 millions. Of this total, 100 streetcars and 16 trolley coaches have been received this year to date.

Total gross revenue of the company's subsidiary, Gray Coach Lines, was by far the greatest in company's history — $4,811,895 against $4,397,637 for 1946. Operating expenses, however, were also sharply higher including costs for better service, leaving balance available for dividends, reserves and surplus of $124,902, down from previous year's $468,940.

During the year important service improvements were made in the west end of the city. Three new electric trolley coach routes were established, and the favorable reception given the new transit systems has exceeded expectations, the report states.

Plans for the rapid transit system reached the stage where the Commission is ready to begin construction, but because of continuing shortage of all necessary materials, actual construction cannot be started without a definite guarantee that such supplies will be continuously available as needed. Progress is being made with purchase of many parcels of land required for rights-of-way. Construction of a new main trunk sewer on Victoria St., from Carlton to Front St., to replace the existing one on Yonge St., is approaching completion.

Moffats New Range Shown

Trade Fair Promises Major Sales to Latin America—D. R. Moffat

If the experience of Moffats Ltd., tells the story, Canadian household appliance makers are well pleased with their results from North America's first international trade fair. Ended Saturday, the two-week Toronto show of world wares brought Moffats new contacts and purchase promises which in volume and quality "indicate very substantial new export business ahead, especially with Latin America," according to Vice-President and General Manager D. R. Moffat.

"The Trade Fair in every respect was a good show, especially for the manufacturer making full use of his opportunities there for new contacts without order book and pencil poised," Mr. Moffat told The Financial Post. "We're looking forward to another."

A prime attraction at the Moffat exhibit of stoves and a wide range of other appliances was "Ambassador 1073" which cost the firm several years and more than $200,000 in engineering and tooling investment; but which, according to Mr. Moffat, "looks like a real money maker."

The "Ambassador 1073," given its world premiere at the Trade Fair is a compact, lightweight universal kitchen range designed for high voltage and expressly for export markets once served almost completely by European makers.

Moffats' "Ambassador 1073" is designed and made to sell at a price within reach of the mass market of every country in the world, Mr. Moffat told The Post.

Oil Shareholders Will Get Rights

Imperial Oil Shareholders of record at the close of business June 18, 1948, will be entitled to receive rights to purchase Imperial's holdings of common stock of International Petroleum Co., it was announced this week.

Issuance of the rights is contingent on the registration statement of Standard Oil Co. (New Jersey) under the United States Securities Act of 1933 becoming effective; and is also contingent upon compliance with certain other legal requirements.

Registered shareholders will be fully advised by mail, and holders of Imperial bearer warrants should keep attached to the warrants coupons No. 70, as the warrants with the coupons attached will be required in order to obtain warrants for purchase of International stock. Complete details will be announced soon.

Shareholders and bearer share warrant holders are being given the right to purchase at $9.20 a share, U. S. funds, 32/100 of a share of International Petroleum Co. for each Imperial Oil share held. Rights were posted for trading on an "if, as and when issued" basis on the Toronto Stock Exchange on June 15 and will expire on Sept. 30. At the opening the rights were trading at $1.60 a right.

COMPANY REPORTS

ALBERTA PACIFIC CONSOLIDATED OILS revenue from oil production and power sales increased 37.5% to $60,727 in 1947, when profits finished $4,131 higher at $24,212. Montana operations yielded increased revenue.

The company drilled its first dry hole on its Cut Bank leases last year after twelve successes. Cost of well, $15,062, was charged to "abandoned wells and leases" account. Several producing wells were reconditioned during year, accounting for increase shown in operating costs. Average price received for oil was $2.05 per bbl. against $1.48 in year previous. Present price is $2.725 for 38 gravity oil.

Company acquired an interest in Millet-Leduc Oils, which drilled an unsuccessful well. In effort to acquire acreage in Leduc field proper, company has submitted bids on certain parcels of land offered from time to time. Efforts have proved unsuccessful to date.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Prod'n revenue	$60,727	$44,144
Add: Royalties	8,786	4,723
Other revenue	4,618	9,140
Asset sale prof.	3,711	4,683
Total net rev.	77,842	62,690
Less: Oper., gen. & admin. exp.	30,850	25,238
Depreciation	5,488	5,239
Depletion	17,292	12,132
Net prof. & surplus	24,212	20,081
Earned per Share	$0.010	$0.008
None paid.		

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$77,171	$82,542
Invest. cost less res.	152,073	145,017
Accts., etc., rec.	10,138	4,603
Oil in tanks	4,060	2,501
Total curr. assets	243,442	234,663
Def. & prep. chgs.	547	178
Misc. invests.	3	3
Devel., leases, rts.*	225,682	445,254
Plant & equip.▲	10,784	15,182
Total assets	480,458	695,280
Accts., etc., pay.	2,124	2,368
Dividends pay.	7,132	7,183
Taxes pay.	4,119	5,444
Total curr. liab.	13,375	14,995
Capital stock	2,354,252	2,354,252
Less: Wells & dev. w/o	2,263,761	2,048,700
Surplus	376,592	374,733
Working capital	230,067	219,668

*After deprec. and deplet. ▲Cost less deprec.

Inter. Hydro Income Rises

Income of $638,668 for first three months ended March 31, 1948, of International Hydro-Electric system was more than double that of similar period in 1947, ($304,791). Increased income reflects higher Gatineau Power Co. dividend rate as well as dividends from recently formed New England Electric System and Eastern New York Power Corp.

Lower expenses for the quarter, including $119,556 reduction in interest charges, left deficit at March 31, 1948, of $11,193,236 compared with $16,480,977 at March 31, 1947.

Malartic G. Fields Starts New Mill

Crushing of ore in the new 750-ton milling unit of Malartic Gold Fields got under way last week and the mill is now being gradually tuned in. Provision has been made in the new mill building for incorporation of the old 750-ton plant to give a total plant capacity of 1,500 tons daily.

The old 750-ton milling unit has been closed down, and will be dismantled and moved to the new site at the new westerly shaft. With increased capacity, and lower costs from operating at a higher milling rate, Malartic hopes for the highest profits in its history. For some years now, current profits have been subordinated to expenditures on development to get the company's two mines in shape for a 1,500-ton milling rate.

CROWSHORE PATRICIA GOLD MINES has received payment for June 6 underwriting of 50,000 shares at 12 cents a share. Issued capital is 2,750,005 shares.

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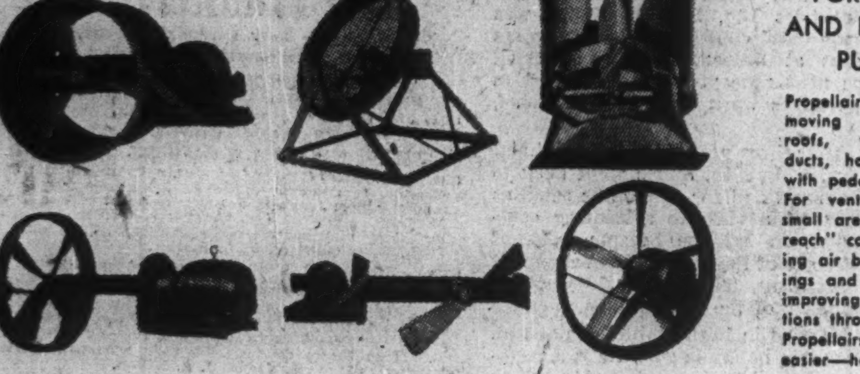
Propellairs give you positive, controlled ventilation—air volume and velocity pre-determined to suit your needs — day and night circulation independent of outside weather conditions. They make your plant a good place to work. Less labor turnover, higher employee efficiency, lower production costs are immediate benefits.



Above are some of the many Propellairs serving industry. Scientific, airfoil-section blade design provides high-volume air flow at maximum efficiency. Sizes to 60 inches in diameter. Capacities to 85,000 c.f.m.

FOR EXHAUST AND FORCED AIR PURPOSES

Propellairs serve all air-moving needs. Used in roofs, walls, windows, ducts, hoods, stacks, and with pedestals and stands. For ventilating large or small areas and "hard to reach" corners—for directing air blasts at hot castings and shake-outs — for improving working conditions throughout the plant. Propellairs make all work easier—help boost output.

DESCRIPTIVE BULLETINS

The types, mountings, sizes and ratings of Propellair Fans completely cover ventilating requirements. They are job-fitted to your needs. Write for your copy of Propellair Bulletin No. 1961A and Hoist Bulletin No. 10-10.

SOMETHING NEW IN HOISTS

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Take it up with R & M

SAVE TIME, EFFORT and MONEY
With Robbins & Myers Hoists & Cranes

R & M hoists are speedy, reliable, easy to use. Low headroom permits working in close quarters. High-torque motor responds instantly—is always ready for action. Automatic brakes hold without "drift". R & M's contribute materially to efficient, streamlined plant operations—save muscles for skilled work—actually increase your profits by cutting handling time and costs.

R & M "lifts" are used in countless applications. Floor-to-floor, job-to-job, loading or unloading—wherever there's material to be moved. They minimize congestion at docks and storage areas, eliminate extra handling. Stationary, hook, or trolley-mounted hoists. Single I-beam, double I-beam, underhung, and transfer cranes.

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The OZIUM dispenser fits snugly in your grip. For the average room or office a quick touch on the lever is enough—shoots a fine, mist-like spray of OZIUM into the area.

Almost instantly you'll notice the effect—odors vanish. For OZIUM completely 'neutralizes' —not merely masks—objectionable smells. At the same time it substantially reduces the presence of air-borne bacteria, for OZIUM is an effective Air Germicide.

Spray OZIUM wherever people congregate indoors. The merest trace of its invigorating fragrance is your assurance that OZIUM is on the job, guarding health, freshening every breath of air.

And the OZIUM SPRAYER is as easy to refill as a fountain pen. Write today for factual literature.

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The Reds Have Done It Before

There should be no complacency over the fact that in the Ontario election and the three recent federal by-elections, the Socialists mustered less than a third of the popular vote. With far less support than that there have been plenty of world examples where totalitarian parties were able to smother all resistance.

In Russia and in prewar Germany and Italy, the Communists, Nazis and Fascists never were in the majority but they acquired complete control. Since the war we have seen the same thing happen in Czechoslovakia, Bulgaria, Hungary and Romania.

In practically every case the change started off with some innocent looking alliance between the moderate Socialists and the extremists. But the end was always the same. The moderates were outmanoeuvred and swallowed, the militant radicals invariably came out on top.

It is all very well to argue that in the recent wins, the Socialist's gains have all been in urban areas or in urban-dominated areas; that farmers and other classes outside these areas will not be tempted by the CCF bait. The Saskatchewan election of 1944 knocks the props out from under that argument just as the subjugation of the kulaks in Russia by the city-trained Communists proves that wide scale but unorganized opposition is no match against a ruthless and powerfully regimented minority.

There is only one way to meet this divide-and-rule threat of the Socialists. It will not be met by out-promising them. For the man who wants complete state domination of every minute of his life from the time he comes into the world until he departs, then Socialists are best able to give it to him.

The average Canadian does not expect or want Socialism from the non-CCF parties of Canada but he does expect something that the CCF cannot possibly offer. That is freedom to develop his own individual initiative, to live his own life, to make his own future. Give him that instead of regimentation with its crushing taxation and he will scorn Socialism.

A Lesson For Canadians

Winston Churchill's warning to the British Conservative Party and to the British people generally that their country cannot recover under a Socialist Labor Government is one that Canadians should study with more than passing interest.

Mr. Churchill said:

"We are not earning our own living or paying our own way and the Government does not hold prospects of our doing so in the immediate future. Unless we free our country while the time remains from the perverse doctrines of Socialism, there can be no hope of recovery. This grotesque idea of managing by centralized state direction can lead only to bankruptcy and ruin.

"How the Government can deride the system of free enterprise and capitalism which makes America great and wealthy and then at the same time eagerly seek the aid which has hitherto been so generously granted from across the Atlantic—that is a grimace which baffles the limitation of our language to explain."

If Churchill finds himself at a loss to express the implications of such a situation, most people will agree it is no simple job. But there is no doubt he has put his finger squarely on a very sore spot, one which the Attlee Government will not find easy to explain away.

Canadians will do well to give this argument serious thought. The CCF would like to put into operation in this country many of the schemes the Socialists are trying, without success, to make work in Britain. If we do not learn a lesson from this, we are not as smart as we think we are.

A Job for the Strong

In certain quarters Canada's immigration policy has been charged with imperilling the future of Britain and other European countries because we seem only interested in attracting the cream of their population. To be fair, it is claimed, we should take the old as well as the young, the sick as well as the healthy.

That superficial argument overlooks entirely the future of the immigrant himself, and the fact, that with few exceptions, older people are far more reluctant than youth to pull up stakes and migrate.

Even for the strong, young and healthy, facing a new life in a new land is not something to be undertaken lightly. It will take them years to fit into the Canadian way of life, to get accustomed to our different climate and habits, to become good and enthusiastic citizens of this country. It would be expecting a great deal for old people, with their roots firmly embedded in the old land to find solid contentment here.

It is true, of course, that the population of Europe is aging. In another decade there will be a far higher percentage of those over 45 than there is today. Eventually, unless there is a most unexpected change in population trends, most nations of Western Europe will have vital need of all their young people. But at present there is a surplus, especially in Western Germany. Literally millions of young people are eager to seek their fortunes elsewhere. They see little hope of a sound future if they remain where they are. Their unrest, particularly in Germany, could lead to serious trouble. If permitted to migrate to Canada and other sparsely settled new countries, these people will become excellent citizens. If left in overcrowded and underfed Europe they could easily become the followers of a new Hitler. Any of them that can make themselves into good Canadians, we should welcome.

No Institution Above Criticism

When he suggested in the House of Commons that the administration of justice in this country was not above criticism, Clarence Gillis brought instant and harsh rebuke from John T. Hackett, president of the Canadian Bar Association.

Undoubtedly, Mr. Gillis went too far when he charged that there was "too much manipulation" in the Canadian courts. In his reply, however, certainly Mr. Hackett went much farther in the other direction.

Four institutions in Canada, Mr. Hackett implied, were beyond reproach. These were the church, the university, the Christian family, and the law, and anyone who dared to criticize any of these "forfeits his rights to be heard in an assembly in which honest and honorable men congregate."

There will be few indeed who will agree or should agree with that sweeping claim. No institution in this country is perfect and the one sure way to prevent them ever becoming so is to stop all criticisms.

Box Office Barometers

Canadian movie distributors and exhibitors are taking more than an academic interest in the U.S. Supreme Court decisions against several long established practices which exist in the United States and Canada. Distributors and chain exhibitors in this country say these decisions are not likely to have any effect here and emphasize that their operations are carried on without any direct control from across the line.

The court in Washington has ordered the film interests, after 10 years of litigation started by the Justice Department's antitrust division, to change their ways in regard to block booking, pooling, clearances, and fixing of minimum admission prices as a condition of film rental. All but the last of these are carried on in Canada.

Under block booking, theatre operators contract to rent films sight unseen, often before they have been made, and take what they get. Pooling is an arrangement by which normally competitive theatres exchange films and divide their revenue on a pro rata basis. Clearances stipulate the length of time which must elapse between showing of films at first-run theatres and neighborhood houses.

Principal agitation in the U.S. has been between large production, distribution and exhibition interests and independents who maintain they are too often left out in the cold.

Sporadic jousts along these lines in Canada have flared up and petered out; one large exhibitor attributes this to the fact that our population is more widely scattered and tensions in the trade do not occur to the same extent.

Independent theatre operators in Canada, however, take the view that this may be the time to work for adjustment of some of these practices. They claim that practices regarded as unethical by the U.S. Supreme Court exist in the industry here and should be corrected as soon as possible before the situation develops to the same extent it has in the United States.

Canadian film men who oppose the independents' point of view say their main concern is that Hollywood and British movie makers will keep on making good, and better, pictures that Canadians will keep on paying to see.

The box office tells them promptly and without fail whether the public approves of their wares and their way of doing business.

Why Production Isn't Higher

Britain's experiments in nationalization should be very instructive to Socialists everywhere.

Take the case of the strike at Waleswood in Yorkshire. The National Coal Board decided the pit was hopelessly inefficient, hence must be closed. All the miners were promised work elsewhere.

The latest report on the British mines says the rapid closing of uneconomic pits "can make a greater immediate contribution toward both reducing costs and increasing output than any other means." But the Waleswood miners don't agree. They went on strike. What's the Government going to do about that?

That report, incidentally, gives some interesting comparisons between British and U. S. mining:

	U. S. %	Britain %
Actual productive labor	72	26
Ancillary work at face	..	15
Underground haulage	8	15.0
Others underground	10	19.6
Surface	10	23.5

The large proportion of unproductive labor in the British mines is a killing load. Yet when it tries to do anything to fix it, the Government runs head on into hostile human nature, the blockade of tradition and the obstructionism of the trade unions.

And doubtless there is some truth to the complaint of a British miner in a recent letter-to-the-editor of a British newspaper. He said: "No wonder we aren't getting production. There are so many ruddy officials around these days a chap has to look around every time he swings his pick so's not to bash a bloke."

He Served Well

The announcement of Justice Minister J. L. Ilsley's retirement from the Cabinet at the end of the month to enter private law practice in Montreal has called forth many deserved tributes to his 22 years of public service.

His work as Minister of Finance, following six years as Minister of National Revenue, was an outstanding contribution to the success of Canada's war effort and the stable condition of our postwar economy.

For some time Mr. Ilsley has been included in the list of possible successors to Prime Minister Mackenzie King as leader of the Liberal party in Canada.

On this point, the Family Herald and Weekly Star says:

"No country came through the war in better financial shape than Canada. No country, we believe, paid a larger proportion of its war expenses out of current taxes. Few countries can have raised as large sums per capita, in war loans. For all this, Mr. Ilsley, and the trust with which he inspired common Canadians, is responsible.

"Mr. Ilsley has sacrificed so many years in the service of Canada that he is more than justified now in retiring to private life. Our real regret at this decision is that it may result in his friends failing to nominate him for the leadership of the Liberal Party when Mr. King resigns. There is no member of the Cabinet who has earned that leadership so well — by length and distinction of service and by the esteem and confidence which Canadians of all Parties would give him."

Many Canadians in every part of the Dominion would have felt confident with the Liberal reins in his hands. His qualities of public service and of character were acknowledged by people of every political persuasion.

Napier Moore's ScratchPad

WE WERE SAUNTERING down Bay Street when, opposite the new Bank of Montreal building, we were halted by a man in whose eyes there was sheer bewilderment. He said, "Excuse me, sir, but could you tell me what those things are meant to represent?" And he pointed to the sculptured stone medallions over the bank entrance.

We hadn't seen them before, though we had heard that the aim of some of the six sculptors commissioned to adorn the edifice was to symbolize Canada through its native animals, and that the designs were expressionistic. So, squinting in the sunlight, we brought into play our full power of concentration.

Finally, we expressed an opinion. We said that, judging by the tail, the animal on the right was undoubtedly a beaver. Also judging by the tail, the creature on the left appeared to be a skunk.

At this the man was visibly shaken. He gasped, "A skunk? On a bank!" Then, apologizing for his weakness he said, "Tell me all. What are the two animals in the centre which seem to be baying at the moon?" Unfortunately, we seldom carry a telescope when we go out to lunch. We fluked on the $64 question.

Back at our office, we telephoned a senior official of the bank. He confirmed our diagnosis in the matter of the beaver and the skunk. We asked him what the central figures were. There was a pause. Then, in a hushed voice, he said, "Wolves." And we could tell by the cluck-cluck of the phone that his hand was trembling as he hung up the receiver.

• • •

R. BREDIN STAPELLS, son of H. G. Stapells, K.C., having graduated in economics at the University of Toronto, went to the London School of Economics to take a Ph.D. After some months of study he decided that he could get as much, or more, in Canada. Moreover, he thought it would be an educational advantage to see something of the world on the way back. He wrote his father suggesting three alternative routes of varying distance. Stapells Senior replied that he approved the longest tour, provided his son would study the life of the workers in all places he visited and see if any country provided a higher living standard or better working conditions than the Canadian worker enjoys.

With one suit and one bag, Bredin set forth. He gradually worked his way through France and Italy to the Mediterranean, got a ship passage to Port Said; then to India. In India, somehow or other, he was invited to dine with a rajah. The one suit he had being inadequate for such splendor, friends equipped him with a natty ensemble consisting of a Prince Albert coat and a pair of white duck pants.

From India he went to Burma, flew the Pacific to Hawaii, San Francisco and so home. He reported that in no country he had visited could the lot of the workers be remotely compared with that of Canadian labor.

The travel itch is contagious. Sunday, Stapells Senior left for Italy to see a client.

• • •

A YOUNG BUSINESSMAN we know is a keen and extremely good golfer. Some time ago he was transferred to the New York office of a Canadian firm. After a long hunt he found a house in a small town about an hour's train ride from Manhattan. We saw him the other day and asked him how his golf was. Ruefully he said he wasn't able to play very often. There was a not-too-swagger club near his home, but the membership cost $500 and annual dues were $360 a year. A friend had given him a guest card once or twice, but green fees were $5 a day. After a round in which the only available caddy had "carried double," wishing to do the right thing he had enquired of the caddy master as to suitable remuneration. "Oh," said the caddy master casually, "five or six dollars ought to be enough."

Our friend said that while his salary was much bigger than it had been in Canada, what with higher housekeeping costs, commuting and whatnot, he wasn't any better off than he was at home, where he could at any rate afford to play golf.

• • •

WITH A POLITE RESTRAINT we appreciate, Burnham Mitchell of the Royal Bank points out that Scratch Pad pulled a boner when it stated W. A. Mitchell, vice-president of J. P. Morgan & Co., got his training with the Canadian Bank of Commerce. We hasten to make it known that Bill Mitchell was a Royal Bank graduate.

• • •

SPEAKING OF BONERS, we were startled by the Columbus Dispatch's report on a Scranton miss who celebrated her 101st birthday by sliding down the banister to breakfast. Said the Dispatch, "The Pennsylvania Medical Society presented a plague to Miss Dolph in recognition of her age."

Stop Me If—

An American film actress was applying for a passport.

"Unmarried?" asked the clerk.

"Occasionally," replied the actress.

• • •

Doctor: "The best thing for you to do is to give up drinking and smoking, get up early every morning and go to bed early every night."

Patient: "Somehow, doctor, I don't deserve the best. What's the second best?"

• • •

A hunter was showing his trophies to a group of visitors and explaining how he had acquired the various exhibits.

"See that elephant?" he said. "I shot it in my pyjamas."

"My goodness," murmured the surprised young lady, "how did it get there?"

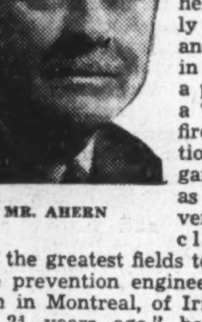
Cartoon by Grassick.

HOW FAR WILL THE FIRES SPREAD?

Post Scripts

Chief Fire Eater

Francis Xavier Ahern, of Quebec City, new president of the Dominion Fire Prevention Association, is about as proud of his election to the post as he is of the fact that he is completely bilingual.



MR. AHERN

Ahern, is Assistant Fire Commissioner for the Province of Quebec, is of medium height, sparely built, quick and incisive in speech, and a person with a "mania" for fire prevention. He regards all fires as being preventable, and claims that one of the greatest fields today is that of fire prevention engineering.

Born in Montreal, of Irish parents, "over 21 years ago," he graduated from Queen's University, Kingston, as a Bachelor of Science in Civil Engineering in 1914. Previously he worked in hydraulics, as a land surveyor, and with railroads, and thus had more than a smattering of engineering before entering Queen's.

Following his graduation he worked with the old Intercolonial Railway (now part of the CNR) and then joined the Province of Quebec roads department. Seven years later he engaged in general contracting, roads and wharves, and building construction, but in 1927 turned to fire prevention engineering, and made this his life work. A nonsmoker himself, Ahern feels very strongly about fires caused by smokers, maintaining that too many of them are the result of carelessness. In fact, he insists that not a single fire is not preventable.

During the World War I he served for a year with the 5th Field Company, Canadian Engineers, Queen's University Battalion. He was discharged from military service after a serious attack of pleurisy.

His hobbies are motoring, walking and puttering around his country home at Lake St. Joseph, 25 miles from Quebec City. Mr. Ahern says he would like to be a real gardener, but doesn't feel he has a "green thumb," for his rhubarb growing efforts for years have so far been unsuccessful.

Ahern is a member of the Quebec Society of Professional Engineers, Canadian Standards Association, and the U. S. National Fire Prevention Association, past president of the Canadian Association of Fire Marshals, and also of the Quebec section of Queen's Alumni.

• • •

Toronto Ad Club

Evan William Hayter, new president of the Advertising and Sales Club of Toronto, and advertising manager of Goodyear Tire & Rubber Co. Ltd., has come along well for some one who couldn't speak English when he first arrived in this country.

MR. HAYTER

Born in Aberdare, South Wales, in 1910, his family emigrated in a few years to Kansas. His native Welsh Gaelic was not spoken to any extent in that region and young Hayter shifted to the study of English.

During World War I, the Hayters came to Canada so that Evan's father could go overseas with the CEF. After public and high school in London, Ont., Young Hayter studied business arts at University of Western Ontario, and was active in many sports.

He worked as a reporter for the old London Advertiser and the London Free Press, then covered Western Ontario as salesman for the Chapman Book Co. of London. In 1938, he joined Goodyear's advertising department and in 1945 was appointed manager.

Hayter is a vice-president of the International Affiliation of Advertising and Sales Clubs, and the Lakeshore Red Cross Society. He is on the executive committee of the Lakeshore Boy Scouts Association and is a member of the Anthony Sayer Masonic Lodge. He is married and has three children, Sandra, John and Evan Jr.

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Speaks for Chemists

Thomas Woodford Smith, new president of the Chemical Institute of Canada, was born in Dublin, Ireland, 62 years ago. He has been associated with the chemical industry for nearly 40 years. He served as vice-president of the Chemical Institute before his election to the presidency; is a past president of the Society of Chemical Industry and was chairman of the Canadian section from 1945-47; is a Fellow of the Patent Institute of Canada and has served as its president.

MR. SMITH

A graduate of the Royal College of Science in London, Eng., Smith came to Canada after three years as a science master at Magnus Grammar School at Newark-on-Trent. His first job here was as chief chemist with the Victoria Chemical Co. which later was taken over by Canadian Industries Ltd. In 1915 Smith was made chief chemist at the explosives plant at Beloeil, P.Q., and during the next nine years was engaged in explosives work there and at Nobel, Ont.

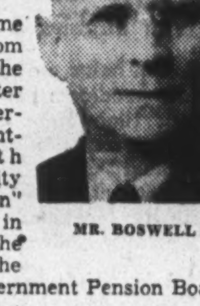
After three years in C-I-L paint and varnish division, Smith went back to chemicals and for 18 months acted as chemical adviser to subsidiary companies. In 1929 he became assistant manager of the chemical development department, followed by 10 years as manager of the patent department.

Married in 1926, Smith has one son. His main hobby is golf. He is a member of the Marlborough Golf Club as well as the Engineers Club and the Canadian Club.

• • •

Heads Merchants

S. A. Boswell, new president of the Retail Merchants Association of Canada, has been a director of the Ontario association for eight years and its president for the last four years. For three years he was a director of the Canadian Retail Federation.



MR. BOSWELL

Boswell came to Canada from England at the age of 16. After four years overseas as sergeant-signaller with the 120th "City of Hamilton" Battalion in World War I, he worked with the Dominion Government Pension Board for four years.

Twenty-five years ago he opened his first leather goods and luggage store in Hamilton and later expanded with stores in Toronto, Brantford and Niagara Falls.

Boswell is president of the Hamilton Bible Society, chairman of the Canadian Council of the Sudan United Mission, and a trustee on the Dominion Cabinet of the Gideons.

Swimming, motorboating, sailing and travel are his hobbies. He is married and has one son, who is in business with him in Hamilton.

What Others Are Saying

Editorial of the Week

Recruiting Agents for CCF

Halifax Herald

Why is the CCF making these gains? Because the country is "going Socialist"? For our own part, we don't think so. The CCF is making these gains because the people are not satisfied with the "old-line" parties as they are presently constituted and as they are operating in these years.

The "old-line" parties appear to stand in "mortal terror" of the CCF—but (if we are to judge by the "old-line" Government now in office at Ottawa), they are doing plenty to make votes for the CCF—and if the "threat" of the CCF is to be met, the "old-line" parties will have to begin to think—and act—in terms of the interests of the individual citizen, his needs and his demands.

The people of the country are being warned against the "bureaucracy" that would be set up by a "Socialist Government"—the "regimentation" and "dictatorship" that would result if the CCF came to power. It doesn't require a CCF Government to establish a Canadian bureaucracy; we have one already. And the Canadian people are well aware of it.

Politicians so timid as to refuse the people margarine in the midst of a butter famine, because they fear a high-pressure dairy-lobby, had better start worrying a great deal more about the CCF "menace." A Finance Minister who must borrow the money to pay the taxes he imposes on himself, and does not realize that tens of thousands of his fellow-citizens find themselves in the same plight, is just about as good a recruiting agent as the CCF could ask.

Other People's Views

ONE EFFECT OF the Ontario provincial election, the **Windsor Star** believes, will be to put a damper on those within the Progressive Conservative Party who would like to see Premier George A. Drew succeed Mr. John Bracken as leader of the Federal Party. "If Mr. Bracken were to fail to win the next federal election, promotion of Mr. Drew would have been almost automatic.

Having lost 13 Ontario ridings, including his own, Mr. Drew at the moment is not in such a commanding position as he was. To succeed in Ottawa he would have to sweep Ontario, because he has not yet proved he has appeal in the rest of Canada."

FISH DERBIES are not sport, says the **Ottawa Citizen**, in commending the Ontario Federation of Anglers and Hunters for coming out strongly against them. "These contests, organized usually by commercial firms dealing in tackle and other fishing equipment, have little in common with sport in the true meaning of the word. Offering large prizes for the biggest fish caught in a single day, they succeed in attracting crowds of people more interested in the prizes than in the quiet enjoyment which the real fisherman derives from the sport. This intensive commercialized fishing may easily result in depleting water which otherwise could remain well-stocked indefinitely."

OF THE IMPORTANT amendments to the criminal code introduced by Justice Minister Ilsley, the one most insistently called for, the **Montreal Star** believes, is the proposed change in the law of libel, or rather the unprecedented application of a part of that law. "The amendment puts an end to what might easily have become an intolerable nuisance and would, in any case, have been an ever-present threat to the freedom of publication, not only of articles of opinion but also — as we have seen — the setting down in print of established facts. The circumstances of the recent case in Edmonton where, at the instance of the Alberta Government, two Toronto men were compelled to stand trial on a charge of 'conspiracy' to commit libel in an article published in a Toronto magazine, are too recent to need review. Existing libel laws, fairly administered as they are, give adequate protection, without summoning the defendants to appear — no doubt repeatedly — anywhere from Halifax to Vancouver."

The Financial Post

Member Audit Bureau of Circulations

Member Business Newspapers Association of Canada

A weekly newspaper presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

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RONALD A. McEACHERN, Editor

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Montreal: Murray R. Chipman, eastern manager.

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THE ADVERTISING BUSINESS

How ARF Will Conduct Car Card Survey in 'Peg

The Advertising Research Foundation is now in existence in Canada. What's more, it has a job.

Months of preparation "jelled" this week when the Canadian Street Car Advertising Co. announced it would channel its research through ARF. Other media are "considering."

Some of the benefits promised ARF backers are:

1. Standardization of research technique between various media in such a way that results from one may be compared with those from another. By supplying data in this way, one ground for misunderstanding between agency and client is removed.

2. Standardization of research technique between Canada and the United States.

3. Conflicting claims of competitive research will be erased, and expensive duplication of effort avoided. Individual media will get an untinted view of their own performance.

That's the aim. The Foundation's first test of its ability to reach such objectives will take place in Winnipeg this fall, when the first work for the Canadian Street Car Advertising Co. will be undertaken.

ARF Controls the Operation

Regardless of whether media research is channeled through ARF or not, the media concerned pays the shot. What the media foregoes in ARF research is the right to control the research operation. It receives in return an "outside" seal of approval, "validating" the accuracy of the results.

In future, ARF backers hope that advertisers will ask for this independent seal of approval, in much the same manner as they ask for ABC approval of circulation figures today.

While there are limitations to the comparison of ARF with ABC, there is similarity in make-up. Both hand over to the "customer" the majority control of their operations. In the case of the Advertising Research Foundation, for instance, the committee which actually handles the project is tri-partite, representing advertisers, agencies, and the media concerned. Thus, the advertisers and agencies which do the buying could outvote the media which does the selling by two-to-one.

Now that Advertising Research Foundation operations are being extended to Canada, operations in this country will come under the more immediate jurisdiction of a joint committee, drawn equally from the Association of Canadian Advertisers and the Canadian Association of Advertising Agencies. Its chairman is H. H. Rimmer, advertising manager, Canadian General Electric.

A subcommittee or "project committee" has been handed the task of supervising the Canadian Street Car Advertising Company's research. Its chairman is Mark Napier, vice-president and managing director, J. Walter Thompson Co. Ltd., Toronto. Secretary is John A. M. Galilee who holds a parallel position in the ACA. Other members are R. Gordon A. Galbraith, vice-president, Canadian Street Car Advertising Co. (representing the media concerned); J. W. Lawrence, director of advertising, The Borden Co. (advertiser) and A. W. Lehman, managing director, Advertising Research Federation (head office, New York).

This committee bears the brunt of supervising the thoroughness and integrity of the research job. The decision to start the Canadian Street Car Advertising Co.'s research in Winnipeg, for example, was subject to its approval. So is the selection of the commercial research organization which will do the actual doorbell-ringing.

Even the selection of 12 "car cards," upon which readership scores will be obtained, is supervised. Notices will shortly be sent out to advertisers and agencies inviting "entries." An ARF-directed admissions committee then sits upon applications (which must be accompanied by sketches, etc.), and selects the dozen to be tested.

Eliminating "Confusion" Element

Rejection of a particular entry doesn't necessarily mean it's a poor advertisement. It could be turned down because of some similarity in make-up to other advertising which has already been seen in the test market. If so, the advertisement, though otherwice good, would inject a confusion element hard to control.

There's an additional technique to strain out confusion. Late next October, a pre-survey test will be conducted in Winnipeg. The 12 "test" cards will be shown in interviews with a number of citizens. Even though they have been shown nowhere in the Winnipeg area, some respondents will nevertheless reply that they have seen them. Experience in other surveys demonstrates that this "confusion factor" exists.

In November, the cards, measuring a standard 11 by 21 inches will be displayed to the public in what is known as a "uniform half service." No interviews will be conducted during this period. After 30 days, all 12 test cards will be taken down. Then, during the ensuing fortnight, interviews will be conducted to determine what percentage of those contacted give evidence of having observed the advertisements.

A formula is then used to relate the pre-examination score to the post-examination score. The result is a new score which, it is claimed, eliminates the "confusion factor."

All commercial research organizations in Canada will have an equal opportunity to get this work. Details of the formula used were worked out by Alfred Politz Inc., New York research organization, in co-operation with ARF technical directors. Arrangements have been worked out under which the Politz organization will be retained to pass on its "Know-How" to the Canadian organization which gets the Winnipeg job next November. The Politz organization has a project scheduled for Johnstown, Penn., in October, and Canadians will be invited in as observers.

Results from the Winnipeg job are expected around Feb. 1, 1949. The actual findings will be copyrighted by the ARF joint committee and will be released by it. Only one copy is supplied to the client who must build up any promotion material from there on. Any statements based on the supervised research must first have ARF approval.

Currently — and with the foreknowledge of the ARF — the Canadian Street Car Advertising Co. is distributing the results of a study of transportation advertising in Toronto as at March, 1948. While this was conducted by a Client Research Panel set up for the purpose, the results are shown without the confusion control to be introduced in the Winnipeg job. Mr. Galbraith explains that, though his company has long favored the ARF project upon which it is now embarking, it felt it could not hold up the Toronto investigation until ARF's organizational difficulties were ironed out. Hence, the Toronto results are in the nature of an "interim report."

Asked which costs more—to channel research through ARF or to do it privately — Mr. Galbraith said an answer would not mean very much. He said the ARF job involves the greater expenditure, "but we do not know how much a private job would cost if the organization employed the methods required by ARF."

KELORE MINES has received payment for underwriting on 500,000 shares at 20 cents a share under June 1 agreement. Issued capital—2,225,003 shares.

B. C. Legislature Meets in July On Flood Relief

From Our Own Correspondent

VANCOUVER — The British Columbia legislature will open an emergency session on July 7, to discuss plans for flood relief and rehabilitation. The flood relief fund is now nearing the $1.5-million mark.

With floods now subsiding, the CPR hoped to be able to run its first train through, before the end of this week. More than 1,000 cars of freight have accumulated, awaiting resumption of service.

The Dominion Government has agreed to pay 75% of the cost of rebuilding the wrecked dyking system, with the province to pay the balance. Cost has been estimated at $12 millions.

St. Lawrence Corp., Mills Answer Lack of Data Charge

MONTREAL (Staff) — Shareholders of St. Lawrence Corp. and St. Lawrence Paper Mills are receiving bulky brown envelopes in the mail this week. Inside are letters from the president of the two companies outlining the new re-organization plan, copies of the plans, and two thick booklets packed with financial and statistical information — all to be studied before the special shareholder's meetings July 7 and 8.

In general, the revised plans contain the provisions which were outlined to shareholders at the annual meeting (The Financial Post, June 5). It appears that the exhaustive statistical and financial information is the companies' answer to the court order disallowing the previous Corp. plan when it stated that shareholders were not given sufficient information.

It is believed likely that the new plans of both the Corp .and Paper Mills will be approved by the majority of shareholders. When the first St. Lawrence Corp plan was presented it was passed by the class "A" preferred shareholders by a vote of 165,047 against 5,965. As a result of legal action taken by the dissenting minority, however, the plan was disallowed.

As in the original plans, the revised proposals call for two new types of preferred stock to replace the existing preferred. The second preferred stock in both St. Lawrence Corp. and Paper Mills will represent the dividend arrears on the existing preferred. Outside of more generous dividend and sinking fund provisions in favor of the preferred shareholders, the amended plans follow closely the provisions of the originals. The new plans are inter-dependent in that neither can be put into effect without the other.

Following is what holders of preferred and common stock in the two companies will receive under the plans:

ST. LAWRENCE CORP.

Each share of class "A" 4% cumulative convertible preferred stock par $50 gets; (1) Cash dividend of $2, being the full $1 dividend accrual from Jan. 1 to June 30, 1948 and $1 to reduce arrears to $20 per share.

(2) One share of $2 first cumulative convertible preferred stock, per value $49 per share, redeemable at $55 on which dividends to accrue from July 1, 1948.

(3) One share of 75-cent second cumulative preferred stock par $1, redeemable at $20 per share on which dividends are to accrue from July 1, 1948.

Each share of existing common stock NPV gets one share of new common stock, par value $1 per share. No dividends may be paid on the common stock when the company defaults on second preferred sinking fund payments or when the amount of second preferred stock retired is less than a specified amount.

Sinking fund—beginning July 1, 1948 the company will apply in each quarter the sum of $125,000 plus one half of any remaining earnings toward the purchase, redemption and retirement of the new second preferred. This retirement may be effected by the company or through a trustee. If funds in the hands of the trustee amount to $250,000 they shall be used to redeem new second preferred by call.

The new $2 first preferred stock of St. Lawrence Corp. is similar to the existing class "A" except that (a) the new $2 first preferred will have a par value of $49 (the $1.00 reduction is to be included in the premium on redemption) and (b) the new first preferred will have the right to elect one-third of the directors when four or more quarterly dividends are in arrears.

Under the plan, the holder of existing class "A" shares has the option of either holding his new preferred shares until called or selling them on the market. The dividend rate of 75 cents per share is equal to a return of 3.75%.

Forecasts of earnings for the next year are said to indicate that dividends on the new 1st and 2nd preferred would be well covered and that at least $500,000 would be applied over the 12 month period to redemption of the 2nd preferred. Cash of $500,000 is equal to 25,000 shares of 2nd preferred taken at full redemption price of $20 (a proportionately larger number of shares if purchased below redemption price).

ST. LAWRENCE PAPER MILLS

Each share of present 6% cumulative preferred stock par $100 gets, (1) cash dividend of $7.75, being the full $3 dividend accrual from Jan. 1 to June 30 1948 and $4.75 to reduce arrears to $60 per share.

(2) One share of $6 first cumulative preferred stock par $99 per share redeemable at $105 per share, on which dividends are to accrue from July 1, 1948,

(3) One share of $2.40 second cumulative preferred stock par $1, redeemable at $60 per share, on which dividends are to accrue from July 1, 1948.

Each share of existing common NPV gets one new share of common stock NPV. No dividends may be paid on the common stock when (I) net working capital of Paper Mills or the aggregate of itself and its subsidiary Lake St. John Power & Paper Co. is less than or would be reduced below a specified level; (II) When the earned surplus of Paper Mills or the aggregate of itself and Lake St. John is less than or would be reduced a specified level; (III) when the company defaults on 2nd preferred sinking fund payments; (IV) when the amount of 2nd preferred retired falls below a specified amount.

Sinking funds—A sinking fund is provided for the retirement of the 1st preferred stock. This is to consist of 25% of the annual net earnings and the first payment to be made in the year following the retirement of all 2nd preferred.

Sinking fund for the 2nd preferred starts July 1, 1948. In each quarter the company will apply $250,000 or an amount equal to 50% of the net earnings whichever is lower plus certain specified additional amounts to the retirement of the 2nd preferred.

New first preferred shares are similar to the existing 6% perferred except that—(A) they will have a sinking fund after the 2nd preferred are retired; (B) dividends will be payable in Canadian funds only; (C) will have a par value of $99 (the $1.00 reduction is to be included in the premium paid on liquidation).

Under the plan the holder of existing 6% preferred stock has the option of holding his 2nd preferred or selling them on the market. The dividend rate of $2.40 per year is equal to a 4% return on dividend arrears of $60 per share.

Present forecasts of earnings for the next year are said to indicate that dividends on the new preferred shares would be well covered. Also that at least $1 million would be applied to the redemption or purchase of the 2nd preferred. Cash of $1 million is equal to about 16,700 shares of new 2nd preferred taken at full redemption price of $60.

According to the advice from governmental departments it is stated that no income tax liability will arise under federal income tax law in Canada or United States as a result of the re-organization. There will, however, be a tax liability on the cash payment.

DULAMA GOLD MINES has received payment for 100,000 shares at 16 cents a share, part of June 20 underwriting. Issued capital is 2,675,005 shares.

3,000 Foreign Buyers at Fair

Of the 30,000 registered buyers attending the International Trade Fair in Toronto, 3,000 were from outside Canada, Trade Fair officials advise The Financial Post. An attendance of 10,000 outside buyers had been anticipated.

Of the visitors, 1,100 were from the United States. Most buying, it is reported, was done by South Africa's 80 buyers, and 50 from Argentina. Among the representations from other countries were Venezuela, 65; Brazil, 31; India, 45; France, 78; Czechoslovakia, 16; China, 28; Palestine, 11; and Germany, 1.

Most of the Canadian buyers, 18,000, registered from Toronto and immediate vicinity, while 9,000 came from other parts of Canada.

Will the exhibitors return? A sample survey conducted by the Fair, on the basis of one in 10 exhibitors in each classification, and one in 10 from each country, showed that 96% wanted the same size space; 35% wanted more space.

Government and Corporation Securities

Enquiries Invited

A. E. Ames & Co.
Limited

Business Established 1889

TORONTO MONTREAL WINNIPEG VANCOUVER
VICTORIA NEW YORK LONDON, ENG.

The following Certificates with optional term payment privileges are currently being offered by Investors Syndicate of Canada, Limited, in denominations of $1,000 face amount, or in larger denominations in multiples of $500.

SERIES VI Certificate matures in 6 years, with option to continue payments and extend maturity up to 9 years.

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All Certificates carry guaranteed cash or loan values and annuity privileges.

Head Office: Winnipeg
Offices in Principal Cities

INVESTORS SYNDICATE OF CANADA LIMITED

Can you afford to miss this market?

Opportunity is knocking louder and longer than ever in rural Canada these days. Recent surveys have revealed tremendous shortages in equipment and household supplies which have piled up during the lean war years. (For example, in one Province alone, over 60,000 farm homes are in need of external repair.)

This simply means that the farmer is going to buy—and buy heavily —to satisfy his needs. What's more, he can back up his purchases with a cash income that has extended well over the BILLION DOLLAR mark for six straight years! ($1,990,600,000 in 1947)

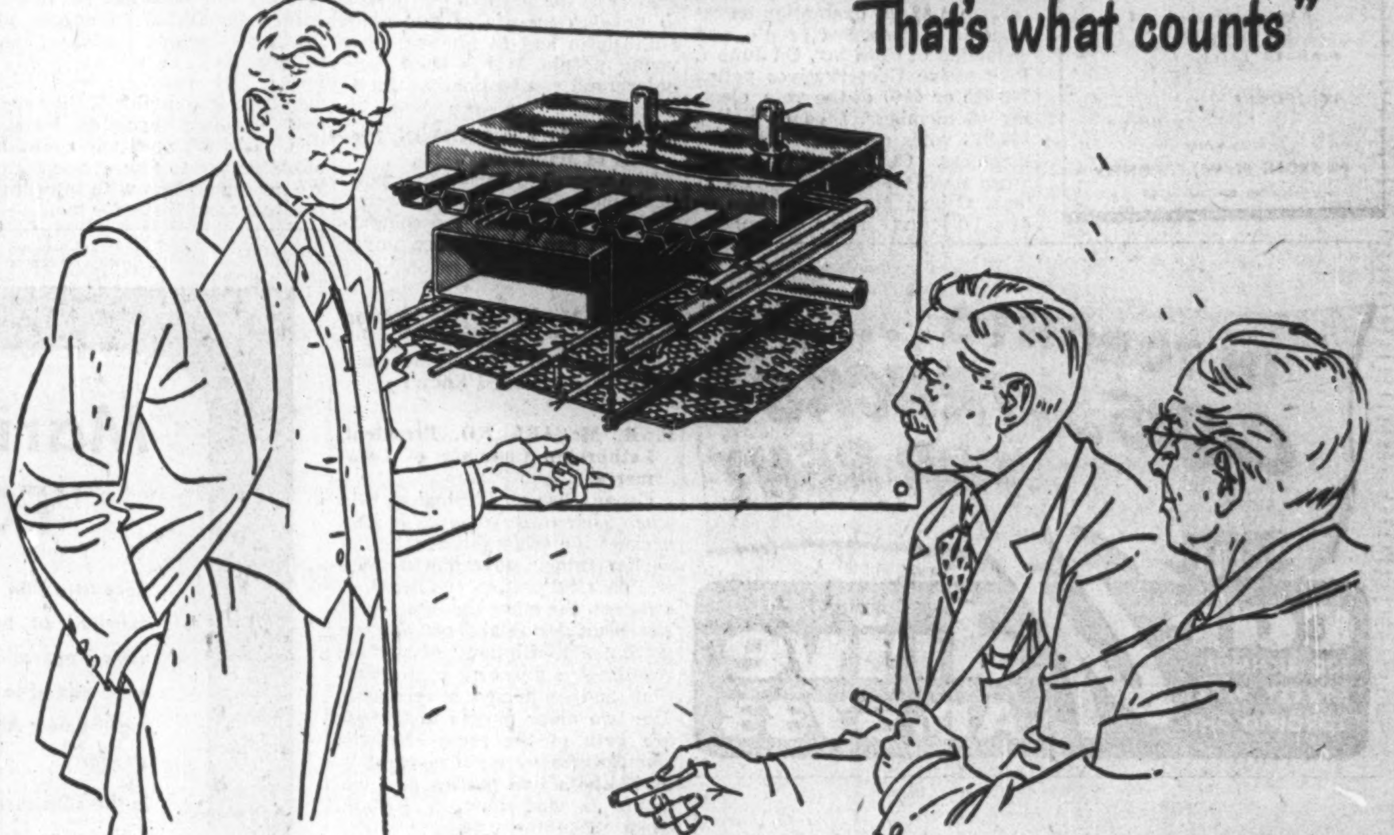
That's why we emphasize again and again, the importance of advertising to the farmer — NOW.

Only ONE farm paper — the Family Herald and Weekly Star — can give you *national* coverage of this promising market — a coverage that reaches one in every two English-speaking farm homes right across Canada.

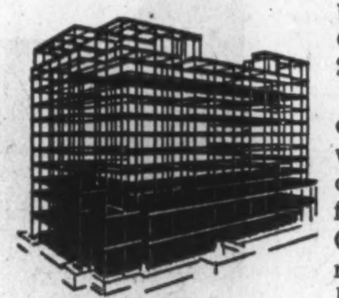
Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA

ASKED HOW SOON THE BUILDING COULD START, THE CONTRACTOR SAID,

"Steel construction gives a quicker finish date, That's what counts"



"Even if structural steel is tight, you have to allow time for demolition and excavation. By then the steel is ready. The biggest buildings of the postwar are being built with steel Q-Floors. They are the load-carrying members. The use of Q-Floors alone reduces construction time 20 to 30%.

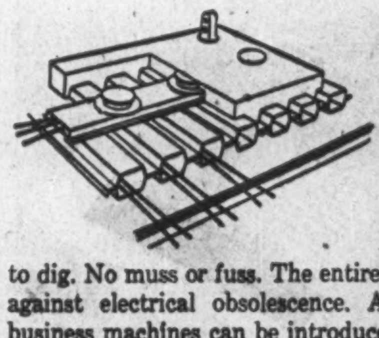


"You get a much quicker completion date. That's what decides how soon you can begin making money from your investment. Q-Floors go in fast—two men can lay 32 sq. ft. in half a minute. And construction is dry; no forms, falsework, or wet materials to hold back work. No fire hazard. Dry construction accounts for the 20 to 30% saving in time.

"Cost? Q-Floors cost less than the carpet to cover them! At most, the floor is always a small fraction of total cost, and yet the floors are what a building is for.

"You're making an investment for forty or fifty years. Q-Floors protect your investment over the decades against electrical obsolescence.

"Look at this picture of a section through the floor of a modern Q-Floor building. Suspended ceiling and all the building's mechanical equipment arteries are visualized in a condensed form. Steel Q-Floor cells are crossed over by headers. These carry wires for every



conceivable electrical service. An outlet can be established on every six-inch area, exactly where needed. The outlet calls for only a small hole. Takes actually a few minutes. No trench to dig. No muss or fuss. The entire building is protected against electrical obsolescence. Any number of new business machines can be introduced. Tenants can have as many changes, as fast as they want.

"Q-Floors keep up a building's earning power. Building managers use them to attract tenants. Since they cost no more, start your return of revenue sooner, and provide unequaled electrical availability—why penalize your investment by having floors which don't do anything?"

Q-Floor is now made in Canada, of Canadian steel, by Canadian labour. Recent installations include Can. General Electric Company Ltd., Hamilton, Ont.; Barclays Bank, Toronto; Steel Company of Canada, Ltd., Hamilton; Bay-Grosvenor Bldg., Toronto.

For more data, see your architect or write

H. H. ROBERTSON CO. LTD.

TORONTO HAMILTON, Head Office MONTREAL

What is Answer to Socialism?

The Question: What is political answer to Socialist advance?

The CCF, within a week, won 22 seats in the Ontario legislature, and three in the Dominion Parliament. Does this mean that Socialism is gaining the ascendancy in Canada? If so, what steps should the old-line parties take, to counter the trend? Financial Post readers answering a questionnaire on the subject, give several answers. Some favor a Liberal-Progressive Conservative coalition; but others frown on this, arguing that it would establish the CCF as the undisputed opposition party, and would pave the way for its eventual election to power. Some, pointing out that all CCF victories had been won by a minority vote, favored adoption of the transferable vote system, under which a voter would be able to record first and second preferences on his ballot. Still others believed that one or the other of the old parties, could cope with the Socialist threat, by adopting, and carrying out, a proper social service program which would improve present economic conditions, without resort to totalitarian methods.

H. W. ALEXANDER, Kennametal of Canada Ltd., Victoria.
Elections are decided by a vast number of voters with no definite political convictions. These people seldom vote for anything but readily vote against something, particularly if they become sufficiently irritated. The trend of the administration to curb the liberty of the subject by the imposition of multitudinous restrictions, particularly affects the small businessman. These restrictions, plus high taxation, have irritated a vast number of people who will vote against the Government irrespective of the consequences. Unless something is done to relieve this condition, the trend will continue to gather volume. Bureaucracy is mainly responsible.

* * *

H. H. C. ANDERSON, Editor, Vancouver Daily Province.
The answer is for non-Socialists to stop fighting one another about the color of their neckties and, as the majority, to register an undivided vote against Socialism.

* * *

JOHN ATKINS, Publisher and farmer, Bracebridge, Ont.
Socialism is a political attempt to achieve freedom from work, want, worry, disease, and self by collective manipulation of conflicting interests. It appeals to perfectionists, who seek to build a strong society by means which weaken individuals; to frustrated people, and to the indolent. In my opinion, election awaits the political party which convinces self-reliant Canadians that it can establish and will maintain a truly competitive economy in which a maximum of collective or private privilege will prevail, and adequate contributory funds will protect the otherwise helpless, as a matter of right.

* * *

G. H. BARR, Barrister, Regina.
The Socialist advance is the logical outcome of failure of opposing groups to enable Canadian people to have maximum production and equitable distribution of real wealth. Hence, the political answer is fusion of anti-Socialist forces in a party with the vision and courage to accomplish this end, without the necessity of regimentation and loss of personal liberty, incidental to complete state control. Such a party should not hesitate to intervene whenever necessary, to prevent exploitation of the people by unfair use of concentrated power by either capital or labor.

* * *

CHESTER BLOOM, Ottawa correspondent, Sifton Press.
Capture of a number of seats by the CCF in the Ontario provincial election was due partly to the industrialization of the Toronto area, with the consequent campaign carried on by left-wing unions, and partly to three-cornered contests whereby Liberals and Progressive Conservatives killed each other's votes. In three federal contests the anti-Socialist vote exceeds the Socialists', but was split between the two old parties.

* * *

H. B. BURGOYNE, Publisher, The Standard, St. Catharines, Ont.
The political answer to Socialist advance is the alternative vote, return to $2,000 exemption on income tax to married people, and reduction of sales tax. On June 7, Progressive Conservatives polled 706,095 or 41% of the vote, electing 53 members. Liberals polled 497,313 votes or 29%, electing 12 members. CCF polled 459,032 votes or 27%, electing 22 members. Others got 47,047 votes or 3%, electing three members. Analysis shows 70% against Socialism to 30% for. Only two Conservatives were elected by a majority vote. No CCF was elected by a majority vote. Alternative or transferable vote would assure majority rule. Increased exemption of income tax and reduction of sales tax would remove the cause of some discontent.

* * *

F. W. CHAMBERS, President, F. W. Chambers & Co., Toronto.
Majority rule is the keynote of our parliamentary system, and our present electoral setup operates reasonably well to achieve this result under the two-party system. However, it falls down lamentably with the inclusion of additional parties. I suggest that where three or more candidates are running, our present voting method should be changed and the ballots marked with alternative preferences so that by means of the transferable vote, the member elected will be the first or alternative choice of the majority of the electorate.

* * *

W. L. CLARK, Editor, The Windsor Star.
Too many politicians and others are negative in their view of Socialism. They devote all their time to saying Socialism is no good. They should spend their time emphasizing the advantages of Canada today and outlining constructive programs to make Canada even better. Coalition of Liberals and Conservatives is not the answer because the moment that is done, the Socialists become the other party and would assume power as soon as the outs became the ins.

* * *

W. H. COVERDALE, President, Canada Steamship Lines Ltd., Montreal.
A direct attempt is being made to persuade people to transfer their loyalty to another state. We can no longer afford to be spectators in national affairs, but must be prepared to support actively, by word and deed, those leaders and those organizations which are working for the welfare and development of true Christian democracy. There is something more vital than the immediate interest of each group — protection of the Canadian way of life against all forms of dictatorship and destruction.

* * *

A. D. GANONG, President, Ganong Bros., St. Stephen, N.B.
Canadians are not naturally Socialists. The Socialistic leaders and some strong believers in their theories are after political power and, using Socialism to get it, are building up a political party for which people dissatisfied with old parties will vote, even if they don't believe in Socialism. The answer is for the two old parties to develop more workers, more enthusiasm and to interest more young people. It has been done before and can be done again.

* * *

HON. STUART S. GARSON, Premier of Manitoba.
The answer to Socialism is political liberty plus economic security. These two ends are compatible, and can be achieved under Liberal policy.

* * *

SANDHAM GRAVES, Editor, Colonist, Victoria, B.C.
Tut-tut; ask Mr. Mackenzie King. How should I know?

* * *

E. R. McFARLAND, President, Lethbridge Chamber of Commerce.
Canada has an ideological cold war of her own. It comes largely because the original conception of parliamentary government with two political parties, one the Government, the other the opposition, has been lost sight of; we are getting a multiplicity of parties, resulting in minority representation and minority government. The two older parties in Canada are both of the same ideology. The Socialists are endeavoring to drive these two parties into one camp as was done in Britain. Then when the people tire of a government provided by the old parties working together they will turn to a Socialist ideology, with all the regimentation that goes with it. Could it be that Canada should study the election machinery of the United States where, through primary elections and otherwise, two main parties are maintained and any change in ideology must come within one of these two major parties.

* * *

JOHN T. HACKET, M.P. for Stanstead.
The apparent advance of Socialism in recent by-elections may be due to influences and combinations which are entirely local and without national significance. Opponents of Socialism have too frequently compromised with it and accepted it both in theory and in practice. The truth is the best answer to Socialism. For their own comfort in debate, the Socialists must ever be chary of historical arguments, for they all point to the conclusion that the best way ever stumbled upon to dispel poverty and make mankind richer is to leave men free within the limits of the law to engage their energies on their own account and for their own reward. Wherever Socialism has been applied to a country of any wealth or dimensions it has led to bureaucracy, inefficiency, one-party government, loss of freedom and tyranny. This is the story of Socialism in Italy, Germany and Russia. The last chapter has not yet been written in Britain.

* * *

R. P. MacLEAN, Editor, The Courier, Kelowna, B.C.
Socialist gains are the result of a protest vote, living costs and no taxation relief in the budget. In every federal by-election, Socialists were elected on a minority vote. In the total Ontario vote, the CCF was third. Amalgamation of the two old parties would lead eventually to CCF Government. I believe the only solution which would give an accurate picture of the electorate's opinion is the transferable vote. Had this been operative, the CCF would have won none of the three recent by-elections and gains in Ontario would have been slight.

* * *

GLADSTONE MURRAY, Policy Counsel, Toronto.
As all our cherished freedoms depend upon the healthy market economy which is menaced by the Socialist advance, it becomes necessary for all who believe in individual liberty to subordinate minor issues and concentrate upon continuous and ever-widening public education, so that the electorate may be awakened to realities. Sporadic spectacular efforts are no longer adequate.

* * *

THORNTON PURKIS, Advertising Counselor, Toronto.
The Liberal and Conservative parties should work as hard to tell their story to the masses as do the CCF, Social Credit and other parties.

The Socialists never let up, night or day. They canvass house to house and in factories. Their workers are voluntary and, consequently, enthusiastic. The only time one hears from Liberals and Conservatives is just prior to an election . . . when they damn one another. Against left-wing parties the Progressive Conservatives and Liberals may be forced to learn the lesson that in union there is strength.

* * *

B. A. TRESTRAIL, Campaign Organizer, Toronto.
Tell the people through non-partisan channels exactly what Socialism stands for and what will happen if Socialists become rulers. In 1945 the Public Informational Association did that with signal success. However, it is not only necessary to keep pounding at this; some method must be developed for getting candidates firmly committed to oppose all forms of creeping Socialism now so prevalent in all party platforms and practices and hold members accountable if they support insidious Socialist legislation. We don't need any coalition of old parties to thwart Socialism. We need members with intestinal fortitude; and that's for me.

DOME MINES bullion production totaled $467,136 from treatment of tion.
53,600 tons of ore and average recovery of $8.72 gold per ton in May ($456,608 from 52,000 tons and $8.78 gold in May, 1947).

CANDEGO MINES has ordered a new ball mill to increase grinding equipment and boost ore produc-

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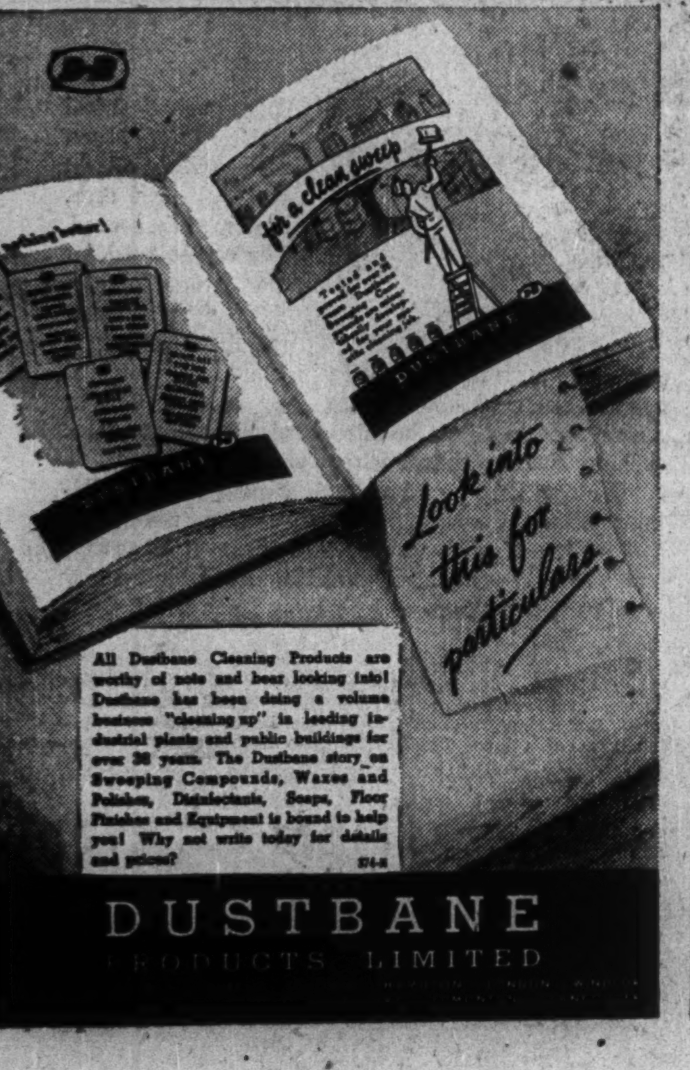

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The said dividend will be paid to registered holders of said shares who are of record at the close of business on June 15th, 1948 by cheque which will be mailed on June 30th, 1948 from the office of the Montreal Trust Company, Vancouver, B.C.

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Subject to Canadian Regulations affecting enemy aliens, non-residents of Canada may convert this Canadian dollar dividend into United States currency or such other foreign currencies as are permitted by the general regulations of the Canadian Foreign Exchange Control Board at the official Canadian Foreign Exchange control rates prevailing on the date of presentation. Such conversion can be effected only through an Authorized Dealer, i.e., a Canadian Branch of any Canadian chartered bank. The Agency of The Royal Bank of Canada, 68 William Street, New York City, is prepared to accept dividend cheques or coupons for collection through an Authorized Dealer and conversion into any permitted foreign currency.

BY ORDER OF THE BOARD,
J. A. BRICE,
Secretary.

May 27th, 1948.
425 Carrall Street,
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How Is Dollar-Saving Plan Working?

Here's Statistical Story for First Quarter of 1948

OTTAWA (Staff)—The impact of Canada's dollar-conservation program can now be measured on the basis of official statistics for the first three months of 1948.

Here is the statistical story:

FIRST QUARTER RESULTS, IMPORT CONTROL PROGRAM†
(Millions of Dollars)

(A) Imports under Control	1947	1948	Ch'ge
Sched. I (prohib. items)	39.5	18.6	—20.9
Sched. II (quota goods)	61.2	23.0	—38.2
Sched. III (cap g'ds etc)	124.7	138.6	+13.9
Total	225.4	180.2	—45.2
(B) Total Imports			
(fr. sched. countries)	454.9	451.1	— 3.8

†Note: All figures shown cover first quarter imports from "scheduled" or hard currency countries, except those for Schedule III which include only imports from U.S.A.

In drawing conclusions from these figures, officials here point out that in the case of capital goods, especially, the impact of controls did not begin to make itself felt very early in the quarter. As well, in some cases, statistical classifications do not cover the precise items placed under control.

Nevertheless, the broad pattern of change is very clear: in the first three months of 1948, while imports of all kinds from hard currency countries remained virtually unchanged, there was an actual rise in Schedule III imports (capital goods, and a 50% cut in Schedule I imports (prohibited items such as electrical appliances, certain fruits and vegetables, jewelry, business machines, cameras, radios, etc.).

The most marked change was the very sharp decline in imports of goods placed under quota (textiles, fruits and vegetables, leather, prepared foods and miscellaneous).

Speaking last week in the House of Commons on the import of goods under Schedule III, Trade Minister Howe pointed out that the largest saving in items under his jurisdiction was in automobiles, and that Schedule III "was not designed to place drastic limitations on industry."

Major Saving in Autos

The actual record of imports from the United States of goods included in Schedule III is shown by groups in the following table. In many items, no control was exercised until the second quarter except on the finished item (automobiles for example). Motor vehicle parts were not put under control officially until March 1. The list follows:

CANADIAN IMPORTS FROM U.S.A. (SCHEDULE III)
(Thousands of Dollars)

	—First Quarter— 1948	1947
Building stone, marble and granite	243	66
Primary iron & steel	6,073	3,865
Print. & publishing mach.	3,999	2,451
Textile machinery	4,759	3,887
Office machinery	2,305	1,679
Household machinery	822	392
Ind. machin. & equipm.	30,734	26,546
Mot. pic. machin. & equip.	699	648
Construction machinery	22,717	16,735
Misc. machin. & equipm.	11,281	10,079
Engines & boilers	6,986	4,552
Railw. roll. st. & equipm.	2,335	968
Motor vehicles & parts	32,745	39,496
Ships	626	418
Aircraft & parts	2,661	3,353
Heating & cook. appar.	1,278	877
Radio apparatus	2,142	2,965
Heavy electrical appar.	3,328	2,350
Light electrical apparatus	2,829	3,422
	138,562	124,749

According to the new figures, in Schedule I (prohibited goods) there was a first quarter saving in 1948 of $20 millions in imports from hard currency countries. Imports in this group were $39.5 millions in the first quarter of 1947; $18.6 millions this year. These figures include $14 to $16 millions of "partial" items. A partial item is one where the banned item cannot be completely segregated in the trade returns. Because of the policy of nondiscrimination, our imports of the same list of items from soft currency countries was cut back in the same period from $3.3 to $1.6 millions.

In the more important quota list (Schedule II))the dollar saving in the first quarter was $38 millions. Total imports from hard currency countries in the first quarter of 1947 had been $61.2 millions in these items. For the first quarter of 1948 this figure was cut back to $23 millions.

CANADIAN IMPORTS OF "QUOTA" GOODS (SCHEDULE II)
(Thousands of Dollars)

(A) From Hard Currency (Scheduled) Countries	—First Quarter— 1948	1947
1. Fruits & vegetables	4,603	7,819
2. Textiles	14,428	43,874
3. Leather, etc.	1,357	2,625
4. Miscellaneous	2,342	5,309
5. Prepared Foods	257	1,550
Total	22,987	61,177
(B) From Soft Currency (Non-Scheduled) Countries		
1. Fruits & vegetables	606	182
2. Textiles	21,016	14,528
3. Leather, etc.	1,678	1,828
4. Miscellaneous	933	1,360
5. Prepared Foods	1,080	333
Total	25,313	18,231
TOTAL (Schedule II)	48,300	79,408

In the case of soft currency countries the figures show an increase of imports of quota goods amounting to $7.1 millions in the first quarter. Total imports (as shown above) increased from $18.2 to $25.3 millions. Added to imports from scheduled countries this means that Canadians imported $48 millions of these items against $79.4 millions in the first quarter of 1947.

In an official statement accompanying the figures for Schedules I and II, Finance Minister Abbott points out British trade has scarcely been affected by the prohibitions under Schedule I, whereas it has already begun to benefit considerably from the operation of quotas under Schedule II. He also points out that some imports continued to be shown in 1948 under the prohibited schedule. "This arises out of the fact that not all of the commodities included in the statistical classification under which imports are classified were covered by the prohibitions. Also in certain instances permits were granted to deal with cases of exceptional hardship as provided in the Act."

"Hard Currency" Imports

Hard currency or "scheduled" countries include as well as the United States and its possessions, Cuba, Dominican Republic, Guatemala, Haiti, Panama, El Salvador, Switzerland, Russia and Venezuela. Total imports of all kinds of goods from these countries (other than U. S.) were $25 millions in the first three months of 1948 and $15 millions in the same period in 1947. This means that all but 3 to 5% of Canadian "hard currency" imports from so-called hard currency countries come from the United States. The increase in imports from these other countries was almost entirely due to purchases of $16.8 millions for Venezuela. The corresponding figure in 1947 was only $7.4 millions.

Industrial Growth

Canada Cycle

Canada Cycle & Motor, Weston, near Toronto, is considering construction of a 55,000-sq. ft. extension to accommodate storage, conveyor equipment and some manufacturing space, according to President G. S. Braden. The Russell Industries subsidiary in addition plans a further gradual program of machinery replacement, following substantial machinery purchases last year both as replacement and for new processes. Canadian Acme Screw & Gear Toronto, another Russell subsidiary, already has made modest postwar additions to plant.

• • •

Purolator

Purolator Products (Canada), Windsor, Ont., L. A. Richardson, vice-president and general manager, subsidiary of Purolator, Newark, N.J., is considering rental or purchase of additional factory space in Ontario "because of increase in business over the past three years and present indications of its continuance." Purolator makes filters and elements.

• • •

Fiberglas

About 200 will be employed in 24-hour-day operation making glass "wool" for insulation and textiles in $1½ million new plant of Fiberglas Canada Ltd., scheduled for late-year completion adjoining the government-owned Polymer synthetic rubber works at Sarnia, Ont. Raw materials are mainly soda ash and fine sand. Glass wool (and glass ball for glass yarn) are now mainly imported and mostly from United States.

Architects of the new Sarnia plant are Allward & Gouinlock, Toronto; building contractor R. W. MacKay, Sarnia. Main structure provides 52,000-sq. ft. of floor area plus three storage buildings totaling 80,000 sq. ft. Water and steam service pipelines have been laid by Polymer from its power plant and buildings of the Fiberglas plant are now about three quarters completed.

• • •

Int. Fertilizers

International Fertilizers, Quebec City, formally opens this week its new 100,000-sq. ft. plant completed in April at Wolfe's Cove in suburban Sillery. It has deepwater berth and private rail sidings. International makes granular and powdered mixed fertilizers for all crops.

• • •

Haines Ceramic

Haines Ceramic & Engineering St. Thomas, Ont., President William Haines, completes new $80,000 pottery plant, one story, steel and concrete block; architect John T. Findlay; contractors David Winter and Elgin Cement Products. Installation of new type baking ovens recently was completed.

• • •

Candn. Aniline

Canadian Aniline & Extract, Hamilton, Ont., starts building one story, 7,000-sq. ft. stuccoed concrete block $25,000 extension to plant newly built in 1946; architects Prack & Prack; contractor Olmsted & Parker Construction. Canadian Aniline, headed by W. A. and E. Gudgeon, makes mainly synthetic detergents.

• • •

Wilmac Eng'g.

Wilmac Engineering Ltd., Sandwich West, near Windsor, Ont., new company, starting production on four-wheel garden tractor; also plans to make steam cleaner and gas burner for furnaces. Wilmac starts in rented 3,000 sq. ft. on Malden Road at Hudson Street; owns 20 acres on Malden Road on which it plans to build 20,000-sq. ft. plant later.

• • •

Toledo Scale

Toledo Scale of Canada (Toronto) at Windsor, Ont., considers possible early building of one story, 9,400-sq. ft. $20,000 steel and brick addition to its Howard Ave. plant.

• • •

Banner Metal

Banner Metal Products, Windsor, Ont., has walls going up for one story, 6,500-sq. ft. concrete block and brick plant unit; contractors Woodall Bros.

• • •

Crown Furniture

Crown Furniture Co., Toronto, has walls up for new two story and part basement, steel, concrete block, glass block and brick plant on Queen St. E., east of Don Roadway, and will move from Market St. on completion. Cost, about $80,000; contractor Aurora Construction & Engineering.

• • •

Harvester

International Harvester of Canada, Hamilton, Ont., President C. W. Lockard, has completed and soon will formally open larger truck assembly plant on new site at Chatham, Ont.; 325,000 sq. ft. of floor space on 50-acre site, normal annual capacity 12,000 trucks. Architect is John Methven; contractor Dinsmore-McIntire; steel Canadian Bridge. Cost is over $3 millions with equipment. Employment will be "substantially up" from that in outgrown Chatham plant.

• • •

Victory Mills

Canadian Breweries' Victory Mills Ltd. completes building and steps up production in $4 million malting and solvent extraction additions to its big vegetable oil and malting plant on Toronto harbor front; contractor Pigott Construction. Employment is being hiked 30% from 175 to about 215. New units went into partial production six weeks ago, are nearing capacity output this month.

• • •

Bausch & Lomb

Bausch & Lomb Optical, Rochester and Toronto, presidents Herbert Eisenhart and Carl S. Hallauer, Rochester, starts building new plant at Midland, Ont., one story, 13,000 sq. ft. steel and brick, $200,000 including equipment; engineers Proctor, Redfern & Laughlin; contractor Mollenhauer Contracting. Will move from temporary rented quarters in Midland YMCA. Will employ 60 making opthalmic lenses, single and bifocal for domestic and British Preference markets.

PACKARD PERSHING MINES carried out some geological work and studied results of previous geophysical survey in 1947, when 19 claims adjoining original group in Pershing twp., Que., were secured. No further work was done on holdings in Montgay twp. An interest was maintained in a prospecting party operating in Northern Quebec where a group of 10 claims was staked in Macho River sector, 60 miles northeast of Senneterre. Current assets were $2,492 and liabilities $250 at Dec. 31.

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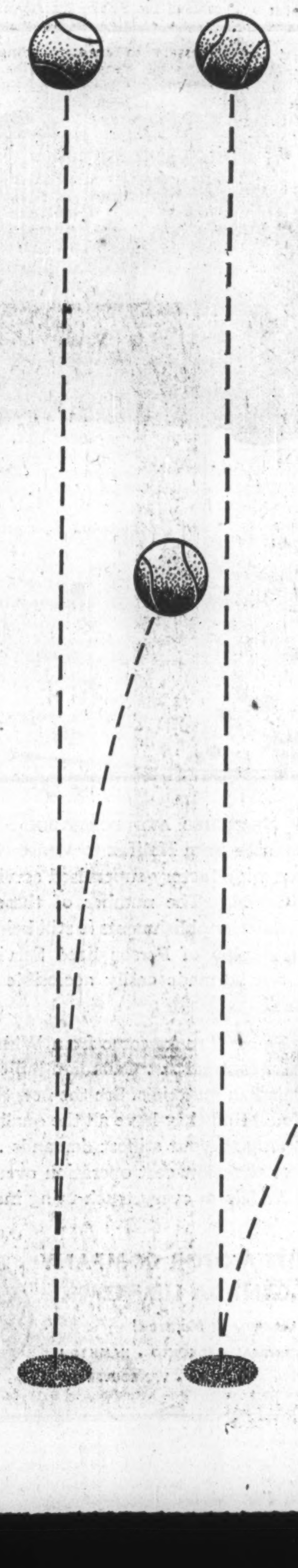

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Will Parliament Write Check-off Clause Into Proposed New Federal Labor Code?

By RONALD WILLIAMS

Controversial points in Canada's new federal labor code will come before the full Parliament now that by-elections are over and the House is anxious to speed up operations.

Main points of controversy are:

1. Whether or not lawyers may appear before the Canada Labor Relations Board.
2. Whether Parliament will accept the new proposed check-off provision written into the bill by members of the industrial Relations Committee.
3. What to do about professional engineers and chemists.
4. The definition of "confidential" employees.

Most important proposed amendment which arose in committee stage, is the proposal for a modified checkoff. The formula is that if a union asks for a check-off, an employer must comply if the individual employee asks for it. As well, individual employees would have the right to cancel their checkoff rights.

Especially for large employers like the railways, this provision is said to be fraught with vast adminstrative difficulties. If the rail union asked for the check-off, the railway would have to get the written permission from each individual worker before docking his or her pay envelope. Then, at any time, the employee has the right to cancel. This in turn, would involve changes in payroll and further communication with the union to inform of the cancellation.

It is not thought likely that amendment will get through Parliament but some considerable argument may develop around this point. It is supported by the CCL.

* * *

Should Engineers Be Organized

The dispute over professional engineers has developed into a hot and heavy inter-organization row.

In the first place this group was included in the proposed labor code. But organizational bodies through their individual provincial associations asked to be excluded. Since this came as an official request from executive boards of the nine regional associations it was granted: the entire group was excluded.

Now considerable minority pressure is said to have arisen within the individual association membership. It is claimed that the executive boards are heavily loaded with "employer" representatives. It is argued therefore that some young members of the association are in favor of inclusion. They want to form unions and bargain collectively and generally enjoy the privileges and responsibilities of the Act.

* * *

Confidential Employees

The dispute over "confidential" employees is a matter of definition.

During the war under PC 1003, certain employees were excluded if they were employed "in confidential capacity." In the proposed act this definition was spelled out to read "employed in a confidential capacity in matters relating to labor relations." The Committee was not impressed with this addition to the wartime definition; cut it back to what it was in PC 1003. Parliament will now have to decide what is to be done.

* * *

Should Lawyers Be Barred?

On the question of legal counsel, the old Industrial Disputes Act excluded lawyers from appearing in a professional capacity in arguments before the Board. Under the bill as it now goes to Parliament, lawyers would be able to appear and present argument on behalf of unions or employers.

It is these changes, in particular, which have caused the Trades and Labor Congress to withdraw support for the measure as now amended.

The CCL has not given its support to the bill at any stage. Its argument is that there should be one over-all national or federal code, even if constitutional changes are needed to effect it.

* * *

Rough Water On Great Lakes

The closest thing to open industrial warfare was raging up and down the Great Lakes this week. At last the Communist-controlled Canadian Seamen's Union had decided to strike against five lake shipping firms and at the same time, challenge the fast-growing Canadian Lakes Seamen's Union and their old boss, Pat Sullivan. At midweek, the CSU was talking about a general shipping strike.

Many unionists thought it was a do-or-die battle for the Red-run CSU. Company union or not, the CLSU had already made big gains with the approval of the five shipping firms involved. Right from the start, the strike could hardly be called a success. At midweek, the CSU itself only claimed to have halted 25 of the 80-odd vessels operated by the five firms. Crews on the rest had either refused to heed the strike call or were members of Sullivan's union.

There was sporadic fighting in most of the major ports and along the key canals in Ontario as CSU gangs raided ships manned by CLSU crews and tried to drag them off. Heads were bashed at various points. At Sarnia a policeman fired over the heads of an advancing CSU picket gang when they ignored his order to halt.

The fiercest battle occurred in a tourist camp at Cornwall, being used as a camping area by the CLSU. Fifteen persons were injured, mostly CLSU men, during a pitched battle with some 100 CSU men rushed to the scene by taxi and car. With pop bottles, clubs and other weapons, the CSU army routed the CLSU. Many sought refuge in farmhouses. Some escaped in passing cars. Others hid in nearby woods.

At midweek six CSU strikers and union officials had been arrested on charges ranging from forcible seizure to assault. Nowhere was there any sign of a peace overture. Ottawa had washed its hands of the dispute; it was outside the jurisdiction of both Ontario and Quebec. Legally or illegally, the shipping firms were determined not to deal with the Reds. This time, it looked like a fight to the finish.

* * *

Steelworkers Bar Commies

The CIO Steelworkers took a hefty swipe at Communists in the labor movement at their fourth convention last month in Boston: by writing an entirely new clause into the constitution, they barred all Communists and fellow-travellers from holding office in their union.

The new clause links the Commies with any Fascist, totalitarian "or other subversive organization" and outlaws their participation on any committee or convention. It passed by an overwhelming majority.

The Steelworkers' union is the biggest in the United States and one of the two biggest in Canada. It claims a Canadian membership of 45,000 and has contracts with close to 200 companies. Total dues-paying membership in Canada and the U. S., 928,670.

Besides coming out flat-footed against the Reds, the new section also meant that President Philip Murray had given up his futile attempt to keep on the good side of the Reds in the interests of union unity. He had belatedly come to the conclusion (reached long ago in the Canadian union) that you can't co-operate with a Communist.

Indicating how much his policy had changed, Murray himself turned the spotlight on the Commie issue in his opening address to the delegates. He traced the tortuous meanderings of domestic Reds as they twisted and turned to conform to Soviet foreign policy. He declared flatly that they were the driving force behind the Wallace Third Party movement.

Vice-President Van A. Bittner, was more direct: "The third party," he declared, "was foisted on the United States by the Communists and they can't get away from it."

* * *

The Right To Work!

The long, drawn-out dispute at Rogers Majestic Radio in Leaside, suburban Toronto, moved a step toward settlement this week. The Ontario Labor Relations Board decided to hold a plant election to find out which of the two rival unions the employees favored: the Red-run CIO Electrical Workers or the AFL Electrical Brotherhood.

At present the striking union (CIO-UEW) is certified. This has been challenged by the AFL union. Before the Board, the UEW argued the AFL application for certification could not be entertained because conciliation was under way at the time.

Significance: The Ontario Board's decision suggests that a petition for certification will now be considered from a rival union or plant organization if conciliation proceedings have ended and a strike called. The implication being read into the decision is that a rival union can now move into a strike-bound plant and try and win the employees.

In the meantime six Rogers strikers were given jail sentences without the customary option of fines for offences during the several picket-line disturbances. Still to be heard are 32 charges against 20 more strikers.

Replying to union counsel's plea for leniency, Magistrate O. M. Martin declared: "Earlier in the year I registered convictions against employees of the same company for the same offence. Small fines were imposed at that time. It doesn't seem to have had the desired effect which was to prevent a recurrence of the offense."

"Members of a trade union, if they are agreed, have a right to strike," he added. "It is not an offence to participate in a picket line. But what is done in a picket line may constitute an offence.

"Anyone . . . has a right to work regardless of whether other employees are on strike and no one has a right to prevent them . . . the accused did block the entrance of employees wishing to work . . ."

* * *

Rising Cost Of Unionism

Like everything else the cost of unionism is going up. At its convention in Boston last month, the CIO Steelworkers raised monthly dues from $1.50 to $2 a month. The men who run the Steelworkers' union got raises too: President Phillip Murray now gets $25,000; his two vice-presidents, $8,000; Canadian Director C. H. Millard, $8,000.

* * *

Welders Needed In Edmonton

Alberta is the only province in Canada requiring welders to hold certificates. Last week in Edmonton, two men learned about the law the hard way: they were convicted in police court for welding without certificates.

But more important, the court case brought to light the fact that Edmonton is short of good welders since the lure of $1.50 an hour began drawing workmen to the oilfields. As it takes two to three years to qualify for a certificate, many Edmonton firms have been compelled to hire non-certified welders. (Temporary permits are issued to transient welders).

What had a lot of employers worried was whether last week's court action was the start of a campaign to crack down on the use of noncertified workmen.

* * *

Canadian Honored

Bart G. Sullivan of Toronto became president of the International Association of Public Employment Services last week at the annual convention in Windsor, Ont. Sullivan is head of the Ontario section of National Employment Service. The IAPES convention drew representatives from Canada, the United States and South America. Next year's session will be held in New Orleans.

* * *

Painters Form Co-operative

The first tradesmen's co-operative in Alberta and possibly in Canada has begun operating in Edmonton. It is the Co-operative Painters' Association, formed by 10 journeymen painters, all shareholders of common stock at $100. Patronage dividends will be paid in accordance with the total numbers of hours worked during the year.

The organization will pay the union scale of wages and will be a closed shop. During the slack season, through the co-operative, the journeymen painters will be able to contract small projects, according to Manager Douglas Glanville.

* * *

4.7 Millions Have Jobs

The Federal Government's new sampling technique for periodic check on employment showed a civilian employed labor force of 4.7 millions as at February 21, 1948.

Unemployment on the same date was 156,000 or 3.2% of the total civilian labor force. The corresponding percentage a year ago was 3%. In February, 1946, it was 4.7%. Largest percentage of unemployed was reported from the Maritimes (5.9%). Ontario was lowest with 2.3%. By regions, the breakdown of unemployment was:

Unemployment in Canada)
(in thousands)

	Feb 21, 1948	%	Mar. 1, 1947	Feb. 23, 1946
Maritimes	25	5.9	21	27
Quebec ...	48	3.6	46	75
Ontario ...	40	2.3	40	56
Prairies ...	23	2.5	21	34
B. C.	20	4.7	13	21
TOTAL	156	3.2	141	213

WILLIAM FINDLAY

has been appointed treasurer of Ortho Pharmaceutical Corp. (Canada).

COMPANY REPORTS

ROBIN, JONES & WHITMAN net profit increased 11.4% to $74,082 in year ended Feb. 29. Working capital finished about $7,500 higher at $574,038.

A dividend of 3% was paid Jan. 2, 1948, plus 3% provided for payment Apr. 5, 1948, taking care of dividends on preference stock up to Sept. 30, 1939.

INCOME ACCOUNT

Years Ended Feb. 28-29	1948	1947
Net earnings	$162,233	$156,134
Less: Bond int.	7,446	7,738
Depreciation	31,309	27,247
Inc. tax res.	49,446	54,712
Net profit	74,032	66,437
Less: Pref. divds.	50,880	50,880
Surplus for year	23,152	15,557
Earnings per Share and Dividend Record:		
Pref.: Earned	$8.73	$7.83
Paid	6.00	6.00
Common: Earned .	4.11	2.76
None paid.		

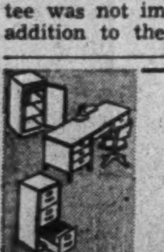
CONDENSED BALANCE SHEET

As at Feb. 28-29	1948	1947
Cash	$82,608	$57,930
Accts. rec., etc.	132,293	109,224
Inventories	681,864	665,592
Total curr. assets	896,765	832,746
Misc. assets	7,921	4,421
Fixed assets	712,754	705,762
Total assets	1,617,440	1,542,929
Bank loan	159,864	65,357
Accts., tax., etc., pay.	162,863	200,820
Total curr. liabs. ..	322,727	266,177
Funded debt	121,667	126,533
Deprec. res.	159,169	162,897
Other res.	10,000	10,000
Capital stock	876,140	876,140
Surplus	127,737	101,182
Working capital	574,038	566,569

NEW YORK LIFE INSURANCE CO. reports a total of over $9 billions life insurance in force on Dec. 31, 1947, highest in the company's history. New insurance and total assets also were higher at $857 millions and $4.2 billions respectively. Total policy payments during the year were over $196 millions.

Life insurance in force, in Canada, on Dec. 31, was $131.1 millions, about $2.9 millions higher. Of total investments in Canada, of $89.4 millions, at the year end, $58.8 millions was Dominion Government bonds, $20.5 millions other bonds and the balance in mortgages, policy loans, etc.

	1947	1946
	Entire Business — 000 of $	
Insur. in force	9,063,604	8,543,308
New insurance	857,384	832,484
Policy payments	196,798	189,794
Liabs. to pol'holders.	3,951,196	3,785,132
Prov. for taxes	5,666	7,065
Misc. liabs.	46,202	3,453
Total assets	4,234,184	4,026,689
Surplus	231,119	231,038
	Canadian Business	
Insur. in force	131,111	128,211
New insurance	8,416	8,194
Invests. in Canada ..	89,396	92,137



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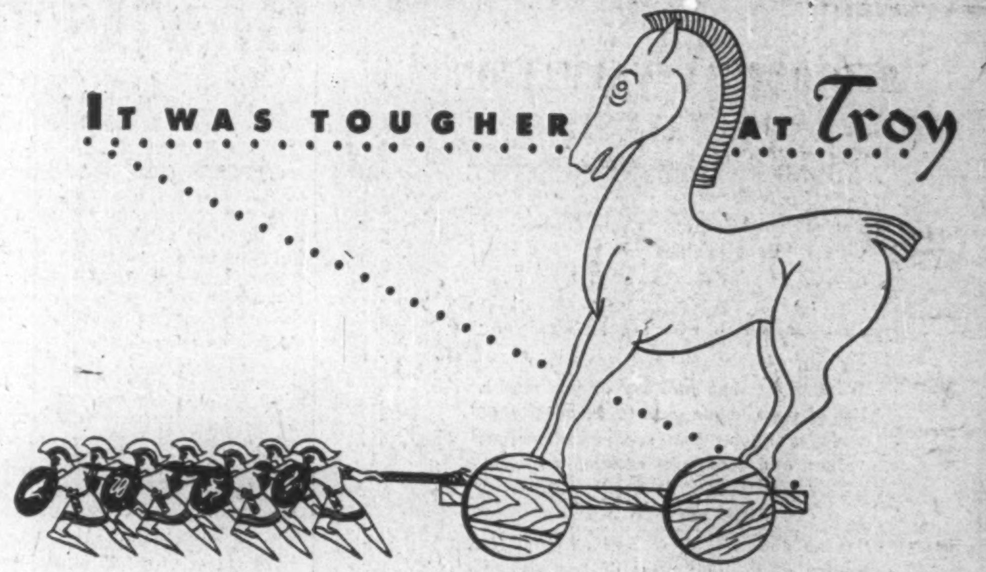

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Mr. A. E. Pequegnat, who has been Assistant General Manager, has been promoted to the position of General Manager. Mr. W. H. Somerville, who has occupied this office for the past twenty-two years, relinquishes it but will continue with the Company as Executive Vice-President, to which post he has been elected.

Mr. H. L. Guy, who has been Assistant General Manager and Treasurer, will relinquish the duties as Treasurer in order that he may assume enlarged duties as Assistant General Manager.

Mr. J. H. Luxton, formerly Assistant Treasurer, has been appointed Treasurer of the Company.

The Actuary of the Company, Mr. J. M. Laing, will retire from that office at the end of the current month, at which time he will be succeeded by Mr. E. A. Rieder, who will become Actuary in place of Associate Actuary.

The new Associate Actuary will be Mr. E. C. Armstrong.

Mr. J. B. Hawson, who recently has been acting as Assistant Secretary in charge of personnel, has been appointed Assistant Treasurer.

Waterloo, Ontario,
June 3, 1948.

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OIL PRODUCTION

Now Doubling Capacity Lloydminster Refinery

From Our Own Correspondent

CALGARY—There has been a steady improvement in recent weeks in the oil marketing and transport outlook for the Lloydminster region. During the next two months oil processing capacity will be doubled in the field to take care of further expansion in markets. "Black oil," in the form of bunker C fuel, asphaltic products of various specifications and other processed materials, are now moving from this Alberta-Saskatchewan border field east into Manitoba and west to the Pacific Coast. The volume in the four western provinces is expected to continue a steady growth.

Husky Oil & Refining, major processor and marketer of Lloydminster oil, expects to boost handling capacity of its plant at Lloydminster town to 5,000 bbls. per day this week, with completion of additional cleaning units. By mid-August, further additions will raise capacity to 7,500 bbls. daily.

At present the plant is taking about 3,500 bbls. per day. The Husky plant cleans, dehydrates and desalts the Lloyd region crude oil and in addition refines up to 1,500 bbls. daily of the cleaned crude. Principal product is bunker C fuel oil, which is marketed to the railways and industrial plants. Other products include asphalts of various specifications, domestic fuel oil, gasoline and gas-oil.

Around July 1, the Flintkote Co. of Canada is expected to commence production at a plant now being built alongside the Husky refinery at Lloydminster. Using product from the refinery, Flintkote will turn out "Colas," an asphalt road emulsion, plus other asphaltic products. Colas, a road-binding material used successfully in eastern Canada for 20 years, is expected to develop a substantial market for Lloyd oil in the western provinces.

• • •

Tank Cars Help

Husky, plagued during recent months by shortage of tank cars to handle distribution of Lloyd products, has been successful in securing sufficient additional cars to relieve the situation. Sufficient cars are expected to handle the anticipated large expansion this summer.

It is now believed that the downward trend of oil deliveries from Lloyd region wells, apparent in February, March and April, has been reversed. In January, Lloyd delivered 3,836 bbls. per day net oil—an all-time high and an increase of 450% over January of last year. Due to tank car shortage, and field to refinery transport difficulties caused by weather, a decline set in. In February, deliveries dropped to 3,731 bbls. daily; in March, to 3,140 bbls. daily; and in April to only 2,406 bbls. daily. This month's deliveries should at least bounce back to the January high, and during the summer months should progressively increase.

Alta. makes Gas Survey

The Alberta Government hopes that the province has adequate proven and prospective natural gas reserves to justify export east and west, but will make its own survey before deciding on export policy. That is the gist of a statement issued by Lands and Mines Minister N. E. Tanner, following on the heels of release of the Hume-Ignatieff survey of Prairie Province gas resources by the Dominion Government, at whose request the survey was made.

That survey, prepared by Dr. G. S. Hume, chief of Canada's Geological Survey, and Alexis Ignatieff, engineer with the Dominion Bureau of Mines, dealt in extensive detail with gas reserves, but did not go into two other important phases of the gas picture: (1) Alberta's probable future domestic and industrial requirements for natural gas; and (2) the economics of export pipelines proposed to carry Alberta gas to Saskatchewan and Manitoba on the east, and the U. S. Pacific Northwest and Vancouver on the west.

The Hume-Ignatieff conclusions: Alberta possesses proven and probable gas reserves of 3,618 billion cubic feet; additional reserves exceeding those now established, would likely be found if additional gas markets were opened and a reasonably attractive price for gas warranted a vigorous search.

The presently known reserves, which study of the detailed report indicates can be regarded as a "minimum," are equal to ninety years, Alberta supply at present rate of domestic and industrial consumption. Consumption rate, of course, is steadily increasing.

Mr. Tanner, speaking for the Alberta Government, says that the province is setting up its own committee to (1) survey natural gas reserves, both proven and potential; and (2) make a study of the likely requirements in the province for future domestic use and industrial development.

• • •

Imperial Adds New Drills

Imperial Oil, Canada's top explorer for oil, has brought in two more drilling rigs for work on wildcat operations in Alberta. The additions give Imperial eight company-owned rigs for Alberta wildcatting. In addition to these, the company has 20 rigs owned by local contractors working for it on field drilling at Leduc, Woodbend and Lloydminster.

One of the new rigs is a National 100, a heavy unit designed for drilling to depths below 10,000 ft. Its first job will be the Imperial-Spirit River No. 1, first deep test in virgin territory in northwest Alberta, south of the Peace River. The other rig is a National 75, designed for drilling depths in the 7,500 to 9,000 ft. range. This will be used first on a wildcat well not yet announced.

Like Imperial's development and exploratory drilling program, the company's geophysical program in Alberta is the largest in its history. The company—exploring holdings all the way from the international boundary to the Peace River—has 13 geophysical parties in the field. These include nine Seismographs, three company-operated, six contract crews; three gravitymeters, one company-owned, two contract; and a company-operated magnetometer.

The expanded program stems from the discovery of Leduc, Imperial's major find of February 1947. Since that strike, the company's geophysical and exploratory drilling program has somewhat more than doubled, in parties and rigs operated. The number of rigs engaged in development drilling has increased with the pace of Leduc field expansion, additional rigs being added as fast as contractors had them available.

Personnel employed by Imperial's Western Canadian Production Department, covering exploration and producing operations in Alberta, has increased more than 100% since Leduc, and now totals nearly 800.

Skyscraper City Hall Is Talked for Winnipeg

Winnipeg city council has visions of a new 27-story $5 to $6 millions city hall to replace the present old one and on the same site. Except for the police department it would accommodate every department of civic government now scattered among half a dozen buildings.

Draft sketch of the building has been prepared by Anton Breivik, architect of the city engineering branch, and has been tentatively approved by a special committee of council. But construction won't start for four or five years at the earliest and then only if the electors approve a bylaw to raise the money.

CENTRAL CADILLAC MINES bullion production totaled $46,544 from treatment of 9,310 tons of ore and average recovery of $5.25 gold per ton in May ($53,331 from 9,223 tons and recovery of $5.78 in April).

Nazi War Device May Save Homes Here from Mudslides

From Our Own Correspondent

CALGARY — Electrosmosis, a wartime discovery of German scientists, is to be given its first practical Canadian test here. If it succeeds, it may eliminate the necessity of removing a number of houses, threatened by mudslides.

Electrosmosis involves the forcing of drainage by the passage of electric current through the soil between electrodes placed at intervals. This creates a semidry barrier, prevents the crumbling of the edge and stabilizes the mud flow during wet weather.

The process was first used in constructing German submarine pens at Trondheim, Norway, where engineers found the hillside in which the pens were being built, subject to slides.

The tests here will be directed by Dean R. M. Hardy, University of Alberta, who says: "The soil type involved here is ideal for treatment by a process such as this. It has not been tried previously on this continent to our knowledge; it cannot be guaranteed to work satisfactorily."

The process requires a direct current line to the electrodes. When the current is turned on in the electrodes, which are fixed in water pipes set vertically in the ground, the current draws the water through the ground to the pipes, much as a magnet draws iron filings. Once in the pipe, the water is pumped out to the sewers.

Neglect To Make Tax Return When Requested Brings Fine

Neglect to make an income tax return when asked for it by the income tax department is liable to lead to unpleasant results.

For failure to comply with the Income War Tax Act in this regard, the Roelofson Machine & Tool Co. was fined $500 and costs in Toronto magistrate's court last week. The company is said to be owned by Controller C. E. Roelofson of Toronto.

The period in respect of which returns were required was in 1944 and 1945. The fine imposed was the minimum of $25 a day for ten days in each year 1944 and 1945 during which the firm failed to file income tax return. The action taken by the Income Tax Department was not defended. This conviction was the third against the company for the same offense.

• • •

TAXPAYER'S FUNDS HELD

Under writ issued by the Exchequer Court at Ottawa, the Dominion Government has been authorized to retain roughly $1 million belonging to Albert Sansoucy Montreal textile merchant.

The money was seized last winter under a writ "of immediate extent," a procedure established in the time of Henry VIII, but abolished in Britain this year. It enables the Crown to seize property without first getting a court judgment of debt against the owner.

The Crown only can obtain such writ and then only on grounds that the money is in danger of being lost.

Mr. Sansoucy owes the Government $863,331 plus interest in income taxes for the years 1942-46, the Government claims.

Mr. Justice J. T. Thorson of the Exchequer Court dismissed the original writ in a judgment on a motion by Mr. Sansoucy's counsel. The money meanwhile had been held by the Foreign Exchange Control Board. Mr. Justice Thorson had ruled that the Government had failed to provide enough proof of the necessity for the original writ. The Government later provided additional proof. The Government's chief proof was in an affidavit submitted by Deputy Revenue Minister for Taxation W. V. Scully. He said that unless some more speedy method than the ordinary process of the law were taken against Mr. Sansoucy, the amount owing the Government was "in danger of being lost."

Mr. Sansoucy's counsel argued that the Government had not proved that his client owed a "payable" debt to the Crown and that it did not prove that any money was in danger. The judge ruled against the Crown in both counts.

Mr. Sansoucy's counsel also argued that the court was not entitled to issue such a writ, in view of the abolition of their validity in Britain. The court upheld the court's power in this point.

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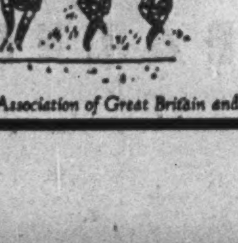
Burns' Birthplace. The Cottage at Alloway where Robert Burns was born in 1759.



Highland Games are held annually in September at Braemar in the Highlands.

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WHAT'S NEW IN BUSINESS

Coin Register
Electro - mechanical recording device internally installed in coin-vending machines provides a continuous printed coin count against drinks and products dispensed. New York maker says device cuts machine loading time; simplifies the distributor's outlet refund problem; records "jackpots"; and registers the tests of salesmen and mechanics with a printed record substantiating their reports.

• • •

Auto-starting Device
New York-made device will start auto engine when ignition is turned on; will also crank engine automatically if it should stall on hill or at crossing.

• • •

Four-second Camera
Fastest development in photographic history is claimed for new camera which turns out completed picture — developed, fixed, and dried—in four seconds. Originally developed for electrocardiagraph (to give doctor an instant picture of heart action), camera is said applicable to news photography, amateur photography, "movies," or television. Said to be first time such a process has been applied to moving film.

• • •

Cleans Aluminum
New chemical formula is claimed to clean the dirtiest aluminum with ease and, at the same time, create an absorptive crystal coat to permit tight paint lock free from blisters and peeling.

• • •

Paper Seam Adhesive
Water-resistant seam adhesive is said by New York maker to be of particular interest to makers of paper cups and similar types of food containers. White emulsion dries to a clean, colorless film. Solution claimed non-toxic, odorless, and free from solvents; excellent machinability obtained on high-speed machines.

• • •

Spin-cleans Brushes
Clamp attachment for use with hand drills and small portable electric drills spin-cleans paint brushes in 90 seconds. Two types available: one has quarter-inch shank that fits into chuck of hand drills and electric drills; other screws on spindle of electric drills in place of small chuck.

• • •

Sanitary Motor
Sanitary motor has been developed by Milwaukee firm for use especially in dairies, food process, canning, and beverage plants. Motor is free from cracks, recesses, or depressions where milk or food products can

Manufacturers of products that are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respects it is new, and indicate its significance to its field.

collect. Smaller ratings will be supplied in totally enclosed, non-ventilated construction which prevents entrance of vermin into motor when it is shut down. Larger ratings are splash proof and will be supplied with removable stainless steel grille plates over cooling air inlets and outlets, also making it vermin-proof. All sizes can be washed down.

• • •

Cigarette Pack
Thin sheets of paper sandwiched between aluminum foil as used in new cigarette pack; claims to cut down on drying and crushing of cigarettes in opened pack.

• • •

Electric Truck
Live and semi-live skids can now be handled by an electric unit built especially for this purpose. Chicago maker says the special Transtractor is designed to provide: (1) full driving traction when lifting heavy loads, (2) manoeuvrability virtually equal to that of hand lift jack, (3) capacity to handle skid loads of virtually any size.

• • •

Foam Extinguisher
Better fire-fighting foam is delivered faster by means of new wheeled engine manufactured by Newark firm which says foam is stiffer, lasts longer, and performs more efficiently against flames, as a result of an improved foam stablizer introduced into chemical charge. Stream has a range of 40 to 55 feet; engine will deliver from 375 to 400 gallons of foam in 3½ minutes.

• • •

Electric Shock Guard
Quebec-made electric outlet protects against electric shocks or short circuits. When plug is pulled out, cap closes automatically, keeping out dust and dampness, as well as kiddies' fingers. To plug into outlet, the dial cap has to be turned a quarter circle before the terminals make contact.

• • •

Record Changer
New record player plays both sizes of records (up to 24 sides), yet fits into same space occupied by ordinary drop changers. Features: can be stopped in the middle of a stack of records; can be made to stop automatically at the end of record it is playing; can be reloaded in one second by merely raising the entire stack of records to the top of the spindle.

• • •

Floor Tile
"Permalite," plastic asbestos floor tile, comes in bright, clear colors, withstands almost any service conditions. Flexible, it can be laid over any type of base since it will conform to uneven surfaces and absorb the normal play of wood floors.

Grease and oil-proof characteristics make it adaptable to kitchens, restaurants, bakeries, drug stores, and various types of light manufacturing areas.

• • •

Cocoa Butter Substitute
Odorless substitute for cocoa butter (largely used by cosmetic and pharmaceutical industries) is produced of all edible materials; approximately same melting point as cocoa butter, and is more economical.

• • •

Plastic Saddle
Pony saddles are latest product to join plastic ranks. Salt Lake City is making the saddles, with matching bridles and martingales, of high gloss Vinylite plastic; said to be unaffected by water, alcohol, oils, and corrosive and abrasive elements; will not crack or warp despite changes in temperature and exposure to unfavorable weather.

• • •

Speedy Washer
Canadian-made "Aerator Washer" claims to wash a four-pound load of dry laundry thoroughly in five minutes. Secret is said to be patented aerator turbine which first aerates the water with myriad tiny air bubbles which are propelled outward in all directions. Washer takes up only 15 in. by 15 in. floor space; wringer folds down inside stainless steel tub when not in use.

• • •

Decorative Material
Decorative covering material is produced in 34 different colors and patterns, and in several widths and thicknesses. Standard length of rolls of cigarette-proof type is 60 lineal feet; non-cigarette-proof type, 90 lineal feet. U. S. maker is also producing special cement to bond the material satisfactorily to base surface.

• • •

Store Elevator
On new-type Westinghouse elevators, operator stands in recessed compartment, one foot above floor level, for better view of doors. Wire recorders make announcements of each floor.

• • •

One-man Saw
Powerful lightweight one-man chain saw operates with equal efficiency in any cutting position; said by Philadelphia maker to be especially useful for light felling and bucking, for limbing, and construction lumber cutting; has 18 inch cutting capacity; two-cycle air-cooled gasoline engine delivers 3½ h.p. at 4000 rpm.

• • •

Piping Technique
New method of jointing lightwall stainless piping and fittings, without necessity of welded joints, is expected to increase the use of stainless steel piping systems in chemical, food processing, and other types of industrial plants, according to U. S. announcement.

• • •

Electric Elevator
Lightweight automatic freight elevator with many factory and warehouse applications has simplified screw-lift action which makes unnecessary the use of rails, counterweights, and cables. With 1 h.p. motor, it has capacity of 350 pounds; with 1½ h.p., 500 pounds. Lifting speed about 35 fpm.

• • •

Conveyor Belt
New conveyor belt has crosswise ribs that protrude above the belt surface; will handle wet materials up to 20-degree angle.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

STERLING COAL CO. net profits, excluding profit on securities and assets sold, in year ended Mar. 31, 1948, were about level with previous year. However, approximately $45,000 was spent on rehabilitation and $35,000 was provided for reduction of bonded indebtedness as of Jan. 2, 1949.

Solid fuel, as of today, gives more value per dollar than fuel oil and, further, company looks forward to increased installation of stokers burning low-priced small sizes of anthracite, which give maximum values of heat and steady comfort, President A. R. Gibson states. Both anthracite and bituminous mining agreements are due for consideration and renewal this summer, and possible shutdowns may accentuate existing scarcities of supplies. Company is making all possible arrangements so that it will be able to care adequately for customers' requirements.

CONDENSED INCOME ACCOUNT

Years Ended Mar. 31:	1948	1947
Net earnings	$126,293	$120,968
Less: Deprec.	36,395	30,122
Bond interest	8,614	9,000
Income tax	41,500	44,600
Invent. res.	2,600	......
Net prof. & surplus§	37,184	37,246

§Excludes assets and invest. prof. of $15,477 in 1948, $4,126 in 1947.

Times Interest Earned:	1948	1947
Before deprec.	14.66	13.44
After deprec.	10.44	10.09
Earnings per Share and Dividend Record:		
Common	$1.49	$1.49
None paid.		

CONDENSED CONS. BALANCE SHEET

As at Mar. 31:	1948	1947
Cash	$97,726	$30,007
Invest. at cost▲	......	42,415
Accts. rec.	215,956	218,078
Inventories	81,349	124,892
Total curr. assets	395,031	415,392
Misc. assets‡	49,057	29,625
Fixed assets*	297,630	272,062
Goodwill	2,500,000	2,500,000
Total assets	3,241,718	3,217,079
Demand loan	......	50,000
Accts., tax., etc., pay.	165,337	143,359
Contingent res.	4,500	4,500
Bonds maturing	35,000	......
Total curr. liab.	204,837	197,859
Funded debt	165,000	200,000
Capital stock	2,500,000	2,500,000
Surplus‡	371,881	319,220
*After depr. of	354,558	338,828
▲Market value	......	49,319
‡Incl. ref. EPT of	2,100	2,100
Working capital	190,194	217,533

SIGMA MINES (QUEBEC) bullion output was $203,574 from treatment of 34,528 tons and average gold recovery of $5.90 in May ($198,466 from 33,625 tons and $5.90 gold in same month 1947).

LINGMAN LAKE GOLD MINES has completed shaft to 400 ft. depth and plans starting crosscut to gold bearing zones lying north and south of the shaft.

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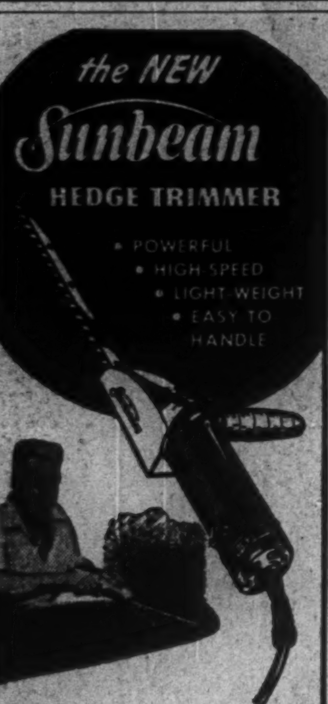

The new Sunbeam is the high-speed, easiest-to-handle Trimmer built and powered to do this tiring job. The lightweight (4¼ lbs.) Sunbeam is a precision instrument in every detail from the high-grade, cutlery-steel cutter bar to the 110V ac-dc power plant inside the handle. None other like it.

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FLEXI-MOUNTED CAB
Chevrolet's Advance-Design cab is mounted on rubber, cushioned against road shocks, torsion and vibration!

... including these great new HEAVY-DUTY features that only Advance-Design trucks offer:

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Other features in this Advance-Design are: All-round cab visibility with rear-corner windows*. Uniweld all-steel cab construction. Large, durable, fully adjustable seat. Extra-durable frames. Specially designed hydraulic truck brakes. Hydrovac power brakes (standard on models of 2-tons or more). Heavier, more durable springs. Ball-bearing steering. Standard cab-to-axle-length dimensions permitting interchange of bodies. Full-floating single and two speed rear axles ... and MANY other fine features.

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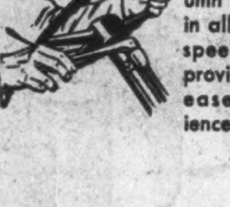

This new steering column truck gearshift in all models with 3-speed transmission provides new driver ease and convenience.

NEW IMPROVED VALVE-IN-HEAD ENGINE
Chevrolet's powerful truck engine, the world's most economical for its size, is now more durable — more efficient operating!

NEW FOOT-OPERATED PARKING BRAKE

Here's an Advance - Design feature in ½-and ¾-ton models that offers new, clear floor area and greater safety and efficiency.

*Fresh air heating and ventilating system and rear-corner windows optional at extra cost.

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Here's How the CCF Sells Socialism

By-election Victories, Gains in Ontario Focus Attention on Party Organization

By RONALD WILLIAMS

Like Monday morning quarterbacks after a none-too-successful football game, political strategists have been busy going over last week's election results.

What happened? What was behind the CCF victories in the three Federal by-elections, and their strong showing in Ontario?

There is no simple answer, but these facts stand out:

The CCF organization works 365 days a year;

It is composed largely of volunteer workers;

The volunteers in the inner circle work with "religious" enthusiasm.

With this "army" of volunteers, as the elections approached, the CCF concentrated (at little cost) on the grass-roots of political success: doorbell ringing, telephone calls, folding literature, addressing envelopes, etc.

Assisting (in Ontario at least) were paid union organizers and their unions.

That's the story behind the CCF success.

Why do they do it?

Said one CCFer from away back: "Movements like ours are born out of a desire for a better world. Maybe that's unrealistic idealism, but it certainly does the trick. That's why we work our heads off without pay. It's like a religion. You don't expect to get paid for doing something for your church, do you? That's the difference between us and the other parties. With us, it's a sort of crusade. With the others, it's a case of, 'What's in it for me?'"

Million-dollar Organization

Out of nickels and dimes and the lure of Socialism, they've built a million-dollar organization that functions day-in, day-out, not just before an election.

They have 2,000 clubs. These are the basic units. Mostly, they're held in private homes to save the expense of renting halls. There are countless small study groups.

They hold weekly euchres, bingos; they stage rummage sales. Social activity is a must.

But superimposed on everything is the fundamental task of educating people to Socialism and winning elections.

Here's what South York riding (suburban Toronto) housewife told The Post: "We had our organization functioning smoothly for years. At the beginning of this year things began to hum. We figured Drew would call an election. Our machinery was ready."

"Previously, we had held weekly club meetings, study groups sessions and the odd social do. But in January we really buckled down to work. We broke the riding up in 10 districts. We named a captain for each. Then we broke the districts down in subdivisions, also with a captain in each.

"Then we went to work with voters' lists to check every voter in the riding. We had one group checking telephone numbers, another calling people by phone, another calling personally on those who didn't have phones.

"Long before the election we had a pretty good idea of how it would go. Our forecast wasn't far wrong. In the subdivision I'm in, for example, we estimated we'd get close to 500 votes. We actually got 487. That's the way it was all over.

"We had 600 volunteers out election day. Not one of them got a red cent. In fact, no one got a nickel throughout the whole campaign. We ran the whole works on a budget of $1,750. We even organized a baby-sitters' section to let parents get out to do their jobs.

"Why did we go to all the trouble? I've raised three children. I had a hard time during the depression. I'd like to know that they won't go through the same thing. I believe the CCF is the answer. Maybe I'm wrong but no one has shown me as yet."

The Socialist Political Machine

Win or lose, money or not, the Socialists undoubtedly have the best political machine in Canada. It's more efficient in some provinces than others. Ontario probably has the best at the moment.

On election day they had close to 10,000 volunteers out. Only a handful got paid. And nearly all of those were regular paid officials.

In South York where CCF Leader E. B. Jolliffe regained his seat, the CCF mustered 600 volunteer workers. They say they won on a thin budget of $1,750.

Every election chore in Jolliffe's riding, including the full-time task of managing the campaign, was performed free.

In Toronto High Park, CCFer Bill Temple beat Premier George Drew; claims he spent only $1,000 doing it. But he had hundreds of volunteer helpers. Temple claims Drew's campaign in that riding alone ran into $50,000.

How did Temple do it? Mainly because the wheels of his organization never stop turning. When he was just nosed out in the 1945 election, he went to work harder than ever. Before long, he had 600 paying members. The organization was bigger than it had ever been.

How the Campaigns Compare

In one of the recent federal by-elections, both old line parties hired advertising agencies to run their campaigns. In addition, crack organizers were imported from Ottawa.

Yet the CCF, on a slim budget of $2,500, won hands down and had $1,000 left after it was all over. While the opposition was paying for publicity and advertising counsel, the CCF public relations was handled by a high school teacher — without pay.

Night and day, in the ridings in which the CCF concentrated their strength, hordes of volunteers rang door bells, talked CCF, made telephone calls, folded literature, addressed envelopes and did the other hundred and one humdrum elections jobs that have to be done.

In Oshawa relays of 20 women worked three shifts a day for five weeks, mailing out campaign literature. One woman worker got a car and took a bed-ridden woman to the polls. She hadn't voted for 10 years.

Scores of trade unionists took election day off (without pay) to ring door bells and get out the vote.

And when it came to knowing who was who, they had that down pat too. In York East riding (suburban Toronto) canvassers had been carefully briefed on the people they were to call on, knew who were union members and which unions they belonged to.

What's more, most of them did an excellent job of sounding out the voters, without appearing to be too nosey. With a sublety which would do credit to professional researchers, they somehow found out how people felt politically.

In most ridings, this enabled them to forecast the result within a few hundred votes.

They didn't waste their time on people they knew were CCF anyway or on those they knew to be adamantly opposed. They concentrated on the in-betweeners, those who spell victory or defeat.

How CCF is Financed

How much did all this cost? What kind of money does the CCF have to operate with, outside of elections. Where does it come from?

The best estimate The Post could make was that they spent between $50,000 and $75,000 on the Ontario election.

But all this wasn't CCF money. Here's the breakdown, as near as can be estimated.

The CCF Central Fund amounted to something around $15,000. With it they bought advertising space in all Ontario dailies, radio time and paid general campaign expenses. At one stage they had to pull some ads out, money was so tight.

In addition, each riding organization collected money and ran its own individual show. The largest amount available is believed to have been $2,500. But only $1,500 was spent. In Jolliffe's riding, they went through $1,750. Perhaps a dozen ridings scraped up $1,000. Most were lucky to get $500. A lot managed on less.

On top of everything was labor's political action campaign. This was the first time labor actively campaigned for a political party. And it played a vital role. By assessing members $1 each, they collected $50,000 but spent only $25,000 they say.

Their National Finances

This may surprise outsiders, not CCFers. They're used to financial poverty in their politics. That's the way things have been ever since the party was born in Regina in 1933.

Last year, for example, the whole National organization had a budget of around $40,000. That's to guide the entire CCF organization. But in 1938, all they had was $4,000.

Where does the money come from? Does the party have any financial "angels"? Do they get any contributions from special business interests?

Main source of revenue is membership dues, The Post was told by David Lewis, CCF National Secretary. Out of every $3 or $2 membership fee (depending on which province it's in) the National Office gets $1. The rest is divided between the Provincial organization and the local club.

None of their meagre finances come from business associations or firms, insists Lewis. He says there have been offers; one as late as a few weeks ago for the Ontario election fund. It was turned down, politely but firmly.

In the past, Lewis says the CCF has had frequent bids from other interests; liquor being one. But they, like the most recent, were on a share-and-share alike basis. Firms made equal offers to all three parties without distinction.

Occasionally, the CCF does get what it calls a "large" donation. By large, Lewis meant around $200. These usually come from businessmen sympathetic to the CCF.

In addition, CCF members of parliament kick in generously to keep the party above water financially. There's nothing compulsory about it, but they contribute a percentage of their indemnity, depending upon circumstances.

How is the $40,000 spent? Most of it goes on salaries. There are 12 paid people at National headquarters in Ottawa. Five are senior people, the rest secretarial help. Then out of it must come general expenses, upkeep of Woodsworth House, etc.

Hardly anyone is getting more than $50 a week, most of them a lot less.

Ontario, for example, has two $50 a week officials, plus a switchboard operator and a bookkeeper. Things got so bad financially some months ago that they had to let a third official go.

Yet somehow, on nickels and dimes, the CCF maintains the best-oiled political machine in Canada — a machine that runs 365 days of the year, not just at election time.

How the Unions Helped

But slim as their financial resources are, they had more money during the recent Ontario election than they've ever had before, thanks mainly to the CIO-CCL unions.

Furthermore, the $25,000 the unions spent was only a small part of their real contribution. What isn't shown in cold figures is the contribution they made in manpower.

Money couldn't buy the kind of organizing experience the CCF got for nothing from the skilled men the unions detached for full-time election activity. Up to election day there were 25 working full time; on election day, 100, besides hundreds of stewards and rank and file members.

To the CCF campaign, the union organizers brought invaluable experience gained in organizing unions in steel, packinghouse, rubber, and clothing industries and the railways. They gave the CCF campaign a shot in the arm that stepped up the tempo on all levels.

All their activity was confined to getting out the union vote. They raised their own money, spent it, ran their own show. Their campaign was separate and distinct from the actual CCF operation.

How Organizers Worked

A union organizer detached for political action went about his new job in much the same manner as he did about his union work. He'd be up in time to distribute leaflets at plant gates as the men went to work in the morning. At noon, he'd hold plant gate meetings, drumming up enthusiasm and interest.

At night there'd be meetings; sometimes with the general membership to acquaint them as to what the new policy of political action meant. Again it might be lining up a committee to raise money or to recruit volunteers to work election day.

With a few modifications, they used tried-and-true union organizing techniques, new to political campaigns, old to union drives. What's more significant, this initial success has made it almost certain that the same thing will be done in all future elections.

CCFers, besides benefiting by the union participation, also got some tips on how to improve their own organization. They take their organization more seriously than the other political parties. Now they've seen what organization can really do, they're even more serious.

A CCFer's deliberate approach to his party stems from a number of things. First, is his deep-rooted conviction in what the CCF stands for. Then there's the constant worry about where the party's next dollar is coming from. He's just as concerned about it as the official whose salaries he helps pay.

Responsibilities of Members

Then too, the CCF imposes certain responsibilities on its members which other parties don't. The CCF is no tea party outfit. Membership can't be taken too lightly. Besides, there's considerable discipline.

They're getting fussier as to who they let in, particularly since the Communists climbed on the bandwagon. Every membership applicant has to be okayed by the constituency council.

If the council doesn't like the way a CCFer has been carrying on, if he isn't conforming to policy, he can be expelled or suspended, subject to appeal to the provincial council.

But the answer to the question: How did the CCF do it? goes a lot deeper. Here's what Secretary Lewis says:

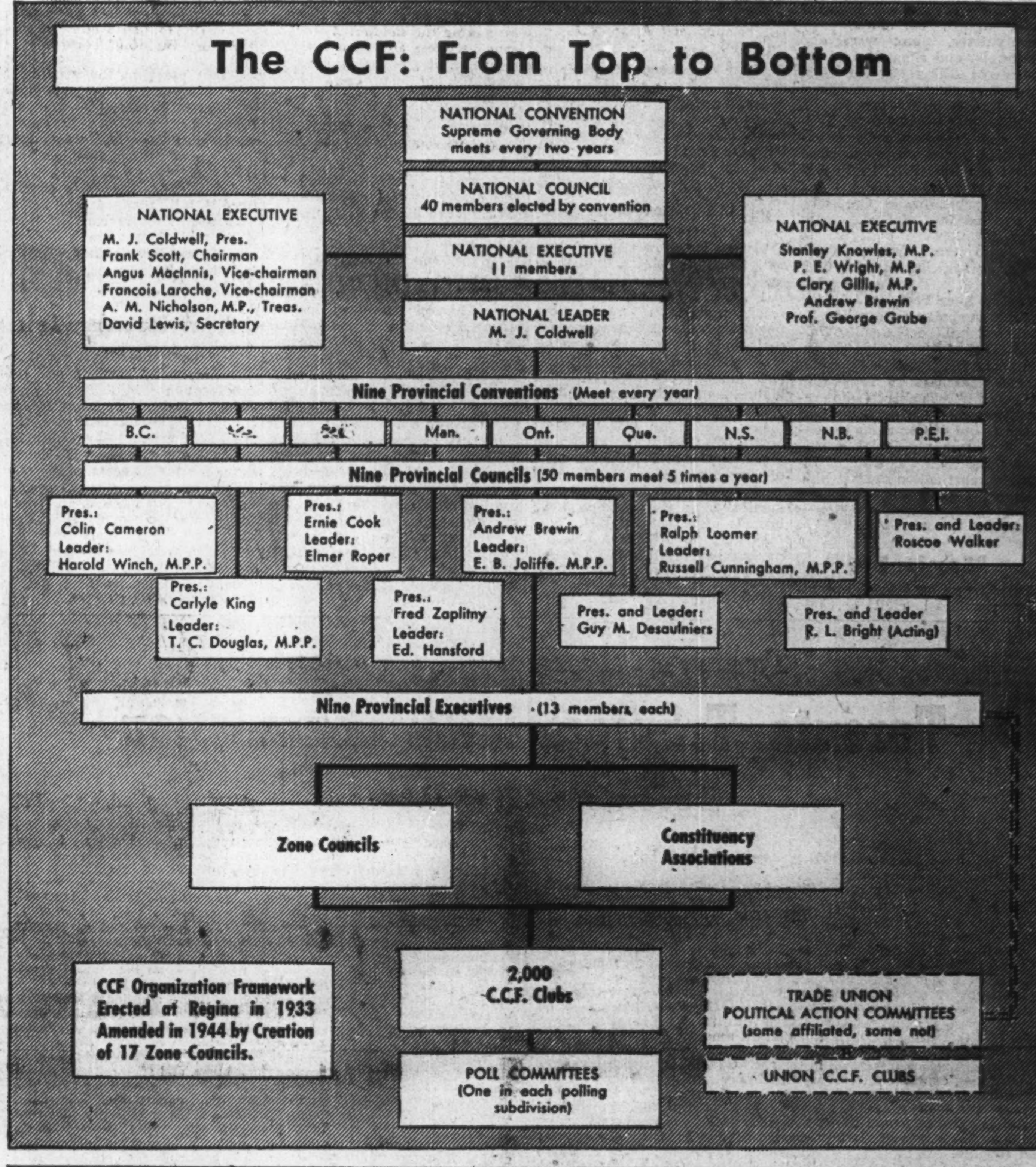
"We look on the CCF organization as a mass adult educational movement besides being an election instrument. Other parties exist to get elected, so people who work for them expect to get paid.

"We want to get elected too. But beside that, we want to educate people politically. We have a constant program of education going on, teaching people what Socialism is and stimulating discussion of current events.

"That keeps up the interest. Things drag of course, but they never die. The wheels never stop turning. Our key people are always on the job. The machinery is always ready to move into high gear.

"This makes the CCF entirely different from other parties. Between elections they have no basic function. We have."

Ontario Leader Ted Jolliffe puts it this way: "People who are wondering how we did it are missing the real point. We aren't in this movement for what we as individuals can get out of it. We are in it for what we believe it holds for the future."



How Much Wealth Lost When Forest Fires Rage?

Smoke Rising in Woods Means Waste of Money and Effort

By PAUL DEACON

Spotted on a 500-mile arc northeast and north of Lake Superior, and reaching out through Northern Quebec, scores of forest fires were burning at midweek. Some had defied the efforts of firefighters since May 25. The biggest, stretching north from Blind River to Chapleau, covered thousands of acres, was still spreading despite the efforts of more than 3,000 firefighters.

It was a grim early season reminder to Canadians of the physical and financial waste of forest fires—physical and financial in the loss of timber, financial in the cost to taxpayers and forest industries of fire fighting services.

Hardest hit in the current sweep has been Huron Forest Products Ltd. Both the Chapleau and Mississagi fires, totalling 475,000 acres, have burned over parts of the limits of Huron Forest Products, whose men (probably 300 or 400) have been fighting the fires night and day.

Due to the dense smoke covering the area, there has been little opportunity to assess the extent of the damage, a company official stated. Effect of the fires on company's original plan to erect a pulp and paper mill in the area probably will not be known for some time to come.

Also affected by the recent outbreaks were Brompton Pulp & Paper Co. limits in the Helen Lake area, Marathon Paper Mills limits north of Marathon, and Abitibi Power & Paper's limits in township 26, range 16 (damage is reported comparatively light to date in the case of Abitibi).

Lumber companies operating in the areas near other fires include Great Lakes Lumber & Shipping Co. (Dog Lake area), Austin Lumber Co. (Panet township area), Pineland Timber Co. and Biglow Lumber Co. (Silk township area).

In Quebec, heavy rains this week checked fires which had cost close to $500,000. Hardest-hit company was Canadian International Paper, with 24 square miles in the area south of Clova burned over and two camps destroyed. Other companies which suffered losses were: Consolidated Paper, on limits around Trenche River in St. Maurice area; Eddy Paper Co., minor damage to northwest tip of limits, and James Maclaren Co., with small fire on its limits.

How does the effect of fire "mushroom?" Here are some of the chain reactions:

1. Timber burned.
2. Men called in from other work to fight fire.
3. Cost of fighting fire (men, food, planes, trucks, etc.).
4. (a) Area lost completely; (b) usable in 20-50-100 years.
5. Company cuts timber on more distant limits.
6. Higher costs of wood.
7. Higher costs of finished product.

And unemployment, wild life depletion, reduced export and tourist trade.

You can't put a price on some of these items, but they're all there—a warning to all who frequent the woods to be careful with fire.

New Brunswick authorities point out that 80.25% of the total acreage burned over in that province is caused by careless smokers alone.

What does it cost to fight fires?

Fire protection services, for 860,000 square miles cost Canadian taxpayers $6,405,394 in 1946, including $905,599 for actual fire fighting. In Ontario, for instance, expenditures for the 1945-46 fiscal year were $1,059,080, including $74,469 for extra fire fighters. Number of men employed by the Government at the peak period was 890. In Quebec in the same year, fire fighting cost the province $118,403, and license-holders and individuals, $45,361. Men employed and those available for fire protection service in that province totalled 5,263 in 1945.

What happens to burned-over areas?

Burned-over areas are not always a total loss, by any means. The timber itself can be salvaged in many cases as long as it is taken out before disease and insects take their toll. In the case of this month's Mississagi and Chapleau fires in Ontario, for example, the Government intends to have the fire-killed timber removed as soon as possible after the fires are extinguished, possibly within a year. Companies within the area will handle their own limits, it is understood, many sub-contract where it is beyond their capacity.

What are after-effects of fire?

Seriousness of the fire in the long run depends on considerations to do with reforestation—that is, the age of the timber, the nature of the soil, previous fires in the area and other such factors. If the stand of timber is an old one, chances are that seedlings will appear, eventually replacing the fire-killed trees.

More serious is the case of an area which has been burned over or logged a few years earlier. Under such conditions, the second growth is devastated before the trees are old enough to produce seed and the area may well become a barren land for fifty or a hundred years.

A costly remedy is artificial reforestation, a method which to date has been reserved largely for the more populated areas. In spite of the high costs involved, however, planting of trees is being carried out in many of the provinces to a limited extent from their nurseries, and this type of reforestation may have to be still more widely used in the future.

What does fire do to soil?

The type of soil on which the timber stands is a contributing factor. With a light soil and a slow-burning fire, the area may be ruined for further timber, because the soil itself burns and the food for the trees is destroyed. Through erosion, only the bare rock is left in some cases. On the whole, however, the better timber stands occur on soil which is not quite so vulnerable, and, given a decent chance, seedlings will grow. Most significant feature is the length of time it will take the new growth to "get going" and the type of new growth which comes up.

How fast are the forests being used up?

Approximately 3¼ billion cu. ft. of merchantable timber have been taken from Canadian reserves annually in recent years; one-quarter of this has been attributable to fire and pests. Thus far, few figures on annual growth have been obtained. Provincial timber management officials have been studying this in the past few years, and it is hoped that inventories will be available soon for the whole of Canada's accessible timberlands. Until then, there is no way of knowing whether the rate of new growth is keeping pace with or falling behind the pace at which timber is being cut, burned or killed by disease.

D B S Statistics Show Cause, Size and Cost of Forest Fires

THE CAUSE OF FIRES

	Ann. Av. '36-'45	%	1946	%
Camp fires	961	17	1,130	19
Smokers	961	17	1,296	12
Settlers	763	14	622	10
Railways	368	7	697	11
Lightning	1,025	19	959	16
Industrial op's	155	3	293	5
Incendiary	302	5	164	3
Public works	48	1	58	1
Misc. known	467	9	439	7
Unknown	463	8	325	6
Totals	5,513	100	5,977	100

THE SIZE OF FIRES

	Ann. Av. 1936-1945	1946
Fires under 10 acres, No.	3,811	4,389
Fires 10 acres and over, No.	1,702	1,588
Total number of fires	5,513	5,977
Area burned (acres):		
Merchantable timber	553,455	405,874
Young growth	660,059	215,794
Cutover lands	357,650	132,471
Nonforested lands	858,226	1,736,314
Total area burned	2,429,390	2,490,453

WHAT THE TIMBER'S WORTH

	Ann. Av. 1936-1945	1946
Merchantable timber burned:	$	$
Saw timber	779,565	110,771
Small material	2,442,265	711,765
Estimated value destroyed:		
Merchantable timber	2,579,973	905,332
Young growth	899,177	387,279
Cutover lands	294,634	98,321
Other property burned	545,259	710,949
Total damage	4,319,043	2,101,881

The Provincial Roundup

Saskatchewan

Socialism at Stake: Socialism was to go on trial before a Canadian jury for the first time next week, when the Douglas Government would ask for re-election on its four-year record. A total of 143 candidates were in the field for the 50 seats which would vote on June 24 (in two far northern constituencies, Athabaska and Cumberland, polling was deferred until July 22, due to weather conditions). CCF candidates were contesting every seat; Liberals 40; Social Credit, 36; Progressive Conservatives, nine; with one Communist and a handful of independents filling out the card. General expectation: CCFers, with 47 seats in the last House, would keep at least 30 to 35. Liberals and Progressive Conservatives had made common cause against the Socialists, in 10 ridings, by agreeing to support one candidate; but Social Crediters, the avowed foes of Socialism in every form, were expected to play into the administration's hands, by splitting the anti-CCF vote.

Tucker Sues Premier: As the election campaign swung into its final stretch, Liberal Leader Walter A. Tucker filed a $100,000 action against Premier Douglas, for alleged "damages to reputation and credit." Tucker (who recently resigned his Rosthern seat in the House of Commons to contest the same provincial constituency) accused the CCF of inciting a court action against him, to save the election for the CCF even at the expense of ruining my character."

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Manitoba

Pay Arrears for 800: Eight hundred provincial civil servants were sharing, this month, a $123,409 melon, in the form of pay-increases retroactive to 1944. Recommended late in 1946 by the Civil Service Assembly of the United States and Canada, and approved by a provincial appeal board, the accumulated payments averaged between $300 and $550; were as low as $45 in a few cases, and over $1,000 in a few others.

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Alberta

Teachers from U. K.?: Short at least 600 teachers for the autumn term, the province was exploring the possibility of bringing a number here from England, under its new government-sponsored immigration program. Many United Kingdom teachers have enquired as to prospects here, Education Minister Ivan Casey stated; but U. K. currency regulations were said proving an obstacle in some cases.

Big Production Year: Surveying statistics for January and February, Hon. John Lyle Robinson, newly appointed Industries and Labor Minister (The Financial Post, May 15), foresaw a record production year in store for the province. Exception for coal and customs receipts, all production in Alberta for the first two months of this year was higher than in the corresponding 1947 period.

Hog production was up 91%; butter 85%; petroleum 27%, with a value gain of 77%; gross sales of clay 16%; cement and allied products 35%; packing plant production 29%; wheat value 75%; bushels of wheat handled, 19%.

Visitors to Alberta's national parks rose from 10,574 in January and February, 1947, to 16,386 for the corresponding months this year. Tourist trade was up 26%, computed on the number of automobiles entering customs stations.

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Ontario

Wooing U. K. Industries: A week after his government's victory (even if a qualified one) at the polls, Premier George A. Drew was in England, bearing a gild-edged invitation to old land industry to establish branch plants in Ontario. The gilt edging: if currency restrictions arose, Canadian interests would finance the plants, provided they could be indemnified in case of operating losses. It was suggested Drew might also lay the groundwork for expansion of the province's air immigration scheme, which had brought more than 7,000 Old Land settlers here since last August.

Meanwhile, Drew, though head of the Government, was still without a seat in the legislature, after his personal defeat in Toronto's High Park (The Financial Post, June 12). But the fact gave him no concern; he suffered only from a surfeit of loyalty, for at least 30 of his 52 followers in the House, he disclosed, had offered to resign their seats in his favor; his only problem was one of selection, and that selection would not be made until he returned home. Also undecided were: Would a new seat be found for Provincial Secretary Roland Michener, defeated in Toronto's St. David? If not, who would succeed him in the Cabinet? Who would follow James de Congalton Hepburn (defeated in Prince Edward-Lennox — no relation to former Liberal Premier Mitchell F. Hepburn) as House Speaker? Would a special House session be called, as in 1945?

Quebec

Election July 28: The oracle of Trois Rivieres had spoken at last, and the election cat was out of the bag. Premier Duplessis' Union Nationale Government will seek a third term on July 28, with provincial autonomy as the main issue. As forecast (The Financial Post, May 15) the election was timed to follow provincial contests in Ontario, Saskatchewan and New Brunswick, and to precede the federal Liberal convention in early August; for selection of External Affairs Minister Louis St. Laurent as national Liberal leader might cause a boom for that party in the provincial field. The Union Nationale held 52 of the 91 seats in the last House; Liberals 33, with others scattered. (The next House would have one additional seat, in Charlevoix-Saguenay.) Liberals, CCF, and Union des Electeurs (Social Credit) all planned an active campaign; Progressive Conservatives said they were a federal party, and not concerned with the provincial fight.

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New Brunswick

Acclamation for Five: Five Liberals, including Industry and Reconstruction Minister Joseph Andre Doucet, were home free in the provincial election race this week. Nomination day (June 14) brought out a field of 125 candidates for the 52 seats in the new House; but Gloucester gave acclamations to five nominees. Liberals were contesting every seat; Progressive Conservatives 40, in addition to four independent Conservatives; the CCF 20; and Social Credit, making its first bid in New Brunswick, five. Standing in the last House, at dissolution: Liberals 36, Progressive Conservatives 11, independent one (four additional seats were created this year).

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Prince Edward Is.

New Air Landmark: Charlottetown's Maritime Central Airways again made aviation history by making the first landing on St. Pierre by a land plane. The flight was made in connection with a proposed air service from Sydney, N.S., to the French Island off the Newfoundland coast. The landing was made on a 2,500-foot runway built during the war but never used. Details of the service are still to be worked out by the Canadian and French Governments. If established, the service will provide weekly flights from Sydney.

New Pumping Station: Letting of contracts for a 14-inch pipeline and a new pumping station, promised to increase Charlottetown's present water supply of two million gallons daily, by approximately 50%. The new station will draw water from a series of 10 wells, about five miles from the capital.

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Nova Scotia

Can't Swap Powers: The province and the Dominion cannot swap constitutional powers. The Supreme Court of Nova Scotia, at the week end, delivered this answer to a question which had been before it since early in the year (The Financial Post, March 27). The issue was largely an academic one, and the judgment would not affect the Dominion-provincial tax agreement reached last year. Purely as a test case, the Macdonald Government last year had introduced a bill, and referred it, after first reading to the court.

The bill proposed: "The Governor-in-Council may by proclamation from time to time delegate to or withdraw from the Parliament of Canada authority to make any laws respecting employment in any industry which is, under the British North America Act, exclusively within the jurisdiction of the legislature and any laws so made by parliament shall have the same effect as if enacted by this legislature.

"When the Parliament of Canada shall have delegated to the provincial legislature authority to make laws in relation to raising revenues by imposing a sales tax in the nature of indirect taxation, the Governor-in-Council may impose a tax of such amount, not exceeding 3% of the retail price he may deem necessary and make regulations providing for the method of collecting the tax."

The Supreme Court ruled that the bill was not constitutionally valid.

Edmonton Hotel Talk Revives Demand For Master City Plan

From Our Own Correspondent

EDMONTON—Who will win this northern gateway city's new hotel building sweepstakes?

A few months ago, the Ford chain let it be known that Edmonton was being actively explored as location for another of North America's Ford-Owned, Elgin-managed "Elgin-type" hotels, with Winnipeg, one or two British Columbia cities and Toronto considered as other building locations.

In recent days a still newer contender has risen for the role of operator of Edmonton's second big-city hotel (the CNR-owned Macdonald dominates the scene today). This is Glenton Development Co., Montreal, with a proposal to buy parkland and erect a $6 million establishment.

City council has decided to sell the property for the hotel site but eight weeks must elapse before the deal could go through. The city under Town Planning Act provisions must advertise for eight weeks its intention to rezone the property from public parkland to hotel or other business use, then hear submissions by the public for or against the proposal. Next step would be to send the rezoning bylaw for approval of the provincial town planning board, and finally give it second and third reading in council.

Provincial Town Planner J. H. Holloway in an open letter declared he had "an open mind" on the proposal to erect the hotel on the site chosen, but he accused city officials of "doing no real planning to anticipate such proposals." He advised Edmonton to act like a "big city" as far as its town planning is concerned. He said that in not hearkening to the advice of Max Dewar, city architect, some time ago to engage a full-time planning engineer, the city couldn't see anything except the salary involved in the proposal, so it decided not to indulge in such an expensive luxury.

Meanwhile the Edmonton Chamber of Commerce has voiced approval of the plans for the hotel. Officials have pointed ont the shortage of hotel space in Edmonton is a "serious detriment to business in the city."

KIRKLAND GOLDEN GATE MINES is asking shareholders to approve an increase in authorized capital from four to five million shares to provide additional shares for financing. Balance sheet showed current assets of $12,086 and current liabilities of $47,884 at Nov. 30, 1947. Company reopened its mill in January, 1947, with intention of helping the mine to be self-supporting while proceeding with deepening of the shaft and development of lower levels. However, the veins lost their values 50 ft. above the level, and milling was suspended in June, after $42,507 was produced from 2,246 tons of ore treated.

Saskatchewan Sod. Sulphate Plant is Opened

From Our Own Correspondent

REGINA — The Saskatchewan Government's new sodium sulphate plant at Chaplin, costing between $1 million and $1.5 millions was opened by Premier T. C. Douglas before a crowd of 2,000.

The plant, the premier said, will bring between $1 million and $2 millions in income to the province. He termed it "an excellent demonstration of what can be done by the people of Saskatchewan."

Mr. Douglas said the funds to build the plant came from revenue of other government industries. It follows the brine system of operation, and has estimated annual production of 150,000 tons.

Brine, containing both water and sodium sulphate, is pumped from Lake Chaplin when the weather is warm. Then the water is pumped off, so that only sodium sulphate remains. The mineral is stored in 3-million-square-foot reservoirs 10 feet deep, to assure a supply in dry years.

The brine operation, the premier said, "results in sodium sulphate in its purest form."

Tests on two out of three cars shipped had shown sodium sulphate to be 96.4% and 97.25%, the remainder being water.

Twenty-Sixth Annual Statement

Toronto Transportation Commission

December 31st, 1947

June 9, 1948.

H. E. McCallum, Esq., Mayor,
and Members of the Council
of the Corporation of the City of Toronto.

Gentlemen:

Your Commissioners submit herewith the Annual Statement of the Toronto Transportation Commission for the year 1947.

The financial results for the year were again satisfactory. The gross revenue of the system was the highest on record, with an increase of slightly more than $300,000.00 over the year 1946.

The number of revenue passengers carried on the street cars and buses of the city system, however, totalled 307,590,938, a decrease of 2,524,862, or .81 per cent when compared with 1946. This is the first year since 1935 that passenger traffic has shown a decrease from that of the previous year. The decline on the city system, however, was more than offset by a substantial increase in the revenues of Gray Coach Lines.

Operating expenses for 1947 were 12.74 per cent greater than for the preceding year and were the highest ever recorded. This increase in expense was due to continued expansion and improvements in the transportation services, higher wages and other benefits to the employees of the Commission, and also to the very great increases in cost of materials and supplies.

During 1947 your Commission obtained delivery of one hundred and ninety-two trolley coaches, motor buses and motor coaches, which substantially improved the service during the year, but more equipment is still needed. Additional orders at the end of the year and shortly thereafter include two hundred street cars, sixteen electric trolley coaches, forty gasoline buses, and sixty-three motor coaches, a total of three hundred and nineteen vehicles in all, which will cost the Commission some nine million five hundred thousand dollars. Of this total, one hundred street cars and sixteen electric trolley coaches have been received in 1948 up to the date of this report.

The operation of Gray Coach Lines for 1947 was also carried on with satisfactory results. The total gross revenue was by far the highest for any year in the experience of the Company. Operating expenses were also considerably higher, and more and better service was given, so that the balance of income available for dividends, reserves and surplus was $124,902.06 as compared with $468,940.21 in 1946.

The financial statements accompanying this report show the Commission to be in a strong position but, as pointed out in 1946 and in previous reports, this is due in no small part to abnormal circumstances brought about by the war. Financial results such as were experienced during the war and immediate post-war years will not be repeated in 1948 and future years because of the necessity for better service than was possible in the war years, coupled with the sharply increased cost of such service arising from the shrinking value of the dollar.

The present basic rate of fare in Toronto has remained the same since the inception of the Commission's operations in 1921. The obligation placed upon the Commission by statute is to make its service self-sustaining, but this obligation must receive a fair and liberal interpretation, for stability of fares is essential to the success of any transportation system. This is the reason why, in good times and bad, the Commission has constantly striven to maintain fare stability by taking a long view of the problem and adopting appropriate measures thereto.

It should be pointed out that government statistics prove that the pre-war dollar has lost precisely one-third of its purchasing power. This means, of course, that there has been a substantial if not apparent reduction in fare on the Commission's system. It is impossible to believe that local transportation can remain permanently almost the only commodity on the market for sale at pre-war prices.

The Commission is making every effort to obtain new equipment and improvements for the transportation system, but owing to the spiral of increasing prices, slow deliveries and certain import restrictions the programme is not proceeding as rapidly as desired. Extensive replacement of street cars is needed, and both prices and delivery dates are causing serious concern. For example, the 100 cars recently delivered were ordered over two years ago. The last available quotation today for a new car (with the very latest improvements) is about $40,000.00, as compared with $22,400.00 paid in 1938 for the first streamline cars—an increase of almost 80 per cent, and delivery cannot be obtained for at least fifteen months or longer.

Plans for the Rapid Transit System which have been fully outlined in previous Annual Reports have reached a stage where the Commission is ready to begin construction, but because of the continuing shortage of all the necessary materials actual construction cannot be started without a definite guarantee that such supplies will be continuously available as needed. Your Commission reluctantly has been compelled to wait before calling for tenders until it can be assured of sufficient materials, labour and construction equipment.

Progress is being made, however, with the purchase of many parcels of land required for the right-of-way. Also the construction of a new main trunk sewer on Victoria Street, from Carlton Street to Front Street, to replace the existing sewer on Yonge Street, is approaching completion.

Important improvements to the service in the west end of the city were made, three new electric trolley coach routes being established during the year—one on Lansdowne Avenue, another on Annette Street, and a third on Ossington Avenue. The Commission believed that this new transit vehicle would prove popular, but the favourable reception given it has even exceeded expectations.

A new special fare motor coach service between the east end and the centre of the city was inaugurated in the Fall of the year, which has proved to be very popular.

Further particulars of the operating results for 1947 are referred to in more detailed form in the Annual Report made by the General Manager to the Commissioners, which is approved by them and transmitted herewith.

The books and accounts of the Commission for the year have been audited by Messrs. Price, Waterhouse & Co., and their certificate is attached to the financial statements accompanying this report.

Respectfully submitted,

WM. C. McBRIEN, Chairman.
WM. CROFT, Vice-Chairman.
W. G. RUSSELL, Commissioner.

H. C. Patten, General Manager, supplemented the financial statements as at December 31, 1947, with the following comments:

INCOME ACCOUNT:

Gross Revenue of the Commission from all sources was $24,803,830.51 for 1947. This compares with $24,503,516.89 for 1946, an increase of $300,313.62. The gross revenue for 1947 was the highest for any year in the history of the Commission. The gross revenue has shown an increase over the preceding year for each of the last twelve years.

An analysis of the increase in gross revenue of $300,313.62 in 1947 shows a decrease of about $167,000.00 in passenger revenue on the city street railway and feeder bus system, and an increase of about $405,600.00 in passenger revenue of Gray Coach Lines. The interest earned on invested funds and bank balances in 1947 increased by about $3,200.00, and the revenue from sundry other sources increased about $58,500.00.

A comparison of the total expenses of operation of the consolidated system in 1947 with the expenses of 1946 shows an increase of $2,521,255.85, or 12.74 per cent. The total expenses for 1947 were the highest ever recorded and reflect the cost of providing additional transportation service, the cost of higher wage rates and other benefits granted to employees, and the spiral of increasing costs of material and supplies used in maintenance of the system.

The service provided the public is generally measured by the annual mileage operated by the street cars and buses, and such mileage showed the highest total of any year in the Commission's experience. The total mileage operated in 1947 by the city system, exclusive of Gray Coach Lines, was 38,477,668, an increase of 760,674 miles or 2.016 per cent when compared with the year 1946. Since the year 1939, the first year of World War II, the annual service mileage provided has increased by nearly 14,400,000 miles.

BALANCE SHEET:

The Balance Sheet as of December 31st, 1947, which accompanies this report, again reflects the sound financial position of the Commission.

Capital Assets in Road and Equipment, including Gray Coach Lines, were $61,247,302.58, as compared with $55,435,227.25 at the end of the year 1946, an increase of over $5,800,000.00.

GRAY COACH LINES, LIMITED:

All of the city and interurban transportation services of the Commission carried on at special rates of fare, separate from the city street railway and feeder bus system, are operated by its subsidiary company, Gray Coach Lines, Limited.

The financial results of the Company for 1947 are included in the consolidated statements accompanying this report, and are also shown in separate statements attached hereto.

As compared with 1946, the results for 1947 were as follows:—

	1946	1947
Gross Revenue	$4,397,636.82	$4,811,894.97
Expenses of Operation, Maintenance, Depreciation and Taxes, etc.	3,928,696.61	4,686,992.91
Balance of Income before Dividends and Appropriations	$ 468,940.21	$ 124,902.06
Dividend at 5 per cent paid to Toronto Transportation Commission	50,000.00	50,000.00
Balance of Income	$ 418,940.21	$ 74,902.06
Appropriated for Reserves	350,000.00	40,000.00
Balance of Income carried to Accumulated Surplus	$ 68,940.21	$ 34,902.06

The financial results of Gray Coach Lines operation for 1947 were not as satisfactory as for the preceding seven years. Although the total gross revenue was by far the highest for any year in the experience of the Company, the balance of income available for reserves, dividends and surplus was the lowest since 1941.

Gross Revenue was $4,811,894.97, an increase of $414,258.15, or 9.42 per cent when compared with the year 1946. Operating Expenses, including depreciation, taxes, etc., increased $758,296.30, or 19.30 per cent, due to increased service on all routes, operation of additional routes, higher wages and taxes, greater cost of replacement parts, and added charges for depreciation on the many new vehicles of the fleet of coaches.

Sixty-seven new passenger coaches were received, and five coaches were scrapped or sold during the year.

The Company has on order sixty-three coaches, all of which should be received by the Fall of this year.

In June an express service to Buffalo, N.Y., via the Queen Elizabeth Way was established. In October a new city special fare route was inaugurated between the Beach-Kingston Road districts and downtown Toronto, and in November the operation of a branch line from the London route at Shakespeare to Woodstock was commenced. All of the older established services were substantially improved owing to the addition of the many new vehicles received, and further betterments will be made when the equipment now on order is placed in service.

CONCLUSIONS:

The volume of passenger traffic on the city system in 1947 was greater than had been expected, and recorded the second highest total of passengers carried in the Commission's experience, being .81 per cent lower than the peak year of 1946. General activity of business in Toronto continues at a high level, and passenger traffic for 1948 to date is about the same as for 1947. Although the amount of daily traffic is not increasing, the present character of the passenger movement is making it more difficult for the Commission to provide the kind of service it desires. From recent studies it is apparent that more people than ever before desire to travel during a very limited period at the evening rush hour. The only immediate remedy for this is for business to stagger its hours of work.

Many business firms have dropped staggered hours since the end of the war. This simple plan, if generally re-adopted, would certainly alleviate some of the rush hour difficulties and make travel more convenient and comfortable for the passengers. The present street system, together with the great volume of other forms of traffic, imposes insuperable difficulties upon the Commission in its efforts to relieve rush hour congestion. Everything possible is being done to cope with existing conditions, but a permanent solution can only be achieved by segregating traffic by means of rapid transit lines.

The Commission is receiving substantial co-operation from the City of Toronto through its programme of street widenings, new traffic arteries and highway improvements in general, and carefully planned programmes of this character will greatly benefit not only the users of its streets but the community generally.

The Commission is also closely co-operating with the Toronto City Planning Board. The Board's recommendations for new highways and for regulation of parking if carried out will be of benefit to all users of the streets, whether travelling in public or private vehicles. But the Planning Board has clearly pointed out the difficulties, as the following quotations from its 1947 Report indicate:

"The highway picture in the City of Toronto at the present time is, to say the least of it, an unhappy one. We are faced not only with a fifteen-year backlog of maintenance and construction but also, in the opinion of those best qualified to know, with possibly 100 per cent increase in automobile registration in the next ten years. Already this year in the City of Toronto alone about 18,000 new automobiles have been placed on the road. The result of this has been that the main highways of the city have become overloaded and have overflowed into residential areas in no way equipped to carry through traffic, either from the standpoint of highway width or from the standpoint of the type of highway construction."

After emphasizing the necessity of building new through highways into Toronto, the Planning Board states:

"The construction of main highways leading into the central downtown area will therefore inevitably increase the demand for that parking space which is so essential to the maintenance of central business values. ... It (the Board) is also convinced that the existing street widths in the downtown area are insufficient to warrant their being used for parking."

The Commission is constantly striving to improve the passenger services and meet the needs of the public, and will do all in its power to provide the most modern equipment necessary for present and future requirements. But more highway space, more room to move this equipment, is also a prime essential in enabling the Commission to give the best possible service.

I wish to express on behalf of the officials and myself sincere appreciation to all the men and women who during the years have carried on this important and essential service, and who have built up an enviable record of loyalty and devotion to duty. It is through their efforts that the Commission's high standard of service has been maintained and advanced.

Thanks are also extended to the Toronto Civic Authorities, to all Civic Authorities in the other municipalities in which the Commission operates, to the Ontario Municipal Board, the Department of Public Highways of Ontario, the City Planning Board, the Board of Trade, and other organizations, and to the Public for their continued support and co-operation.

TORONTO TRANSPORTATION COMMISSION AND GRAY COACH LINES, LIMITED

Toronto Transportation Commission and Gray Coach Lines, Limited—Consolidated Balance Sheet December 31, 1947

ASSETS

CAPITAL ASSETS:		
Road and equipment, at cost, including land, buildings, substation equipment, electrical distribution system, trackwork, rolling stock, motor coaches and buses, machinery and tools	$61,247,302.58	
Mortgages Receivable on property sold	84,963.21	$61,332,265.79
INVESTED FUNDS:		
Held for rehabilitation and equipment renewals, and for modernization and expansion of the system — temporarily invested in Dominion, Provincial and Municipal bonds, having a market value of $20,118,732.00		19,682,523.23
CURRENT AND WORKING ASSETS:		
Inventories of operating supplies valued on the basis of cost, as certified to by the management	$ 1,807,502.75	
Working funds advanced to agents, conductors, etc.	508,987.00	
Unexpired insurance premiums, etc.	107,799.94	
Trade accounts receivable, less reserve of $3,397.02 for estimated losses	369,163.29	
Interest accrued	104,886.06	
Cash on hand and in banks	1,901,815.55	4,800,154.59
		$85,814,943.61

NOTE:
The outstanding debentures shown on the above balance sheet include debentures having a par value of $3,991,000.00 in Canadian dollars, which are payable serially up to 1952 as to principal and interest in United States funds, at the holder's option. A reserve of $560,136.36 for foreign exchange is carried in respect of whatever premium the Commission may have to pay in connection with these debentures.

LIABILITIES AND RESERVES

CAPITAL ACCOUNT:			
Corporation of the City of Toronto:			
For debentures issued for transportation purposes		$42,073,126.10	
Less: Debentures redeemed to December 31, 1947	$34,245,063.95		
Accrual for redemption of debentures which mature in 1948	763,850.13	35,008,914.08	$ 7,064,212.02
RESERVE FOR DEPRECIATION AND AMORTIZATION OF CAPITAL ASSETS.			46,519,449.09
OTHER RESERVES:			
For redemption of outstanding tickets		$ 430,634.31	
For workmen's compensation and public liability		2,024,642.67	
For foreign exchange		560,136.36	
For rehabilitation, and for modernization and expansion of the system		13,650,000.00	
For contingencies		3,840,007.93	
For revenue (fare) stabilization		3,800,000.00	24,305,421.27
ACCUMULATED SURPLUS			4,929,041.04
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities		$ 1,554,171.64	
Balance of 1943, 1945 and 1946 provisions for traffic improvements, payable to City of Toronto as expended		659,368.42	
Accrual for debenture interest		18,830.00	
Accrual for redemption of debentures		763,850.13	2,996,220.19
			$85,814,943.61

Comparative Consolidated Income Account

	1946	1947
REVENUE:		
Passenger Earnings:		
Railway and bus transportation	$19,236,357.05	$19,069,429.97
Motor Coach transportation	4,248,353.85	4,653,899.51
Interest on invested funds, bank balances, etc.	542,553.34	545,717.30
From sundry other sources	476,252.65	534,783.73
Gross Revenue	$24,503,516.89	$24,803,830.51
EXPENSES:		
Cost of electric current, including maintenance and operation of substations	$ 1,275,931.74	$ 1,261,420.96
All other expenses (except those dealt with below) including maintenance, repairs, taxes and administration	14,663,593.87	17,466,711.25
Provisions for:		
Depreciation and amortization	2,828,097.99	2,830,047.24
Workmen's compensation and public liability	916,300.00	747,000.00
Traffic improvements in the City of Toronto	100,000.00	....
Total Expenses	$19,783,923.60	$22,305,179.45
Balance of Income before interest and appropriations	$ 4,719,593.29	$ 2,498,651.06
Interest on debentures	573,327.50	489,274.17
Balance of Income	$ 4,146,265.79	$ 2,009,376.89
Deduct:		
Appropriated to the following reserves: Contingencies	$ 350,000.00	$ 40,000.00
Revenue (fare) stabilization	300,000.00	700,000.00
Rehabilitation, and modernization and expansion of the system	3,200,000.00	1,000,000.00
	$ 3,850,000.00	$ 1,740,000.00
Balance of Income for the year, carried to accumulated surplus	$ 296,265.79	$ 269,376.89

Comparative Consolidated Income Statement

	Gross Revenue	Expenses including Depreciation	Balance of Income	Debenture Interest
1921 (Four months)	$ 4,071,969.73	$ 3,260,103.50	$ 811,866.23	$ 174,990.77
1922	11,651,512.49	9,695,834.54	1,955,677.95	1,580,774.53
1923	11,852,334.63	9,489,099.21	2,363,235.42	2,120,396.87
1924	11,709,695.28	9,330,270.36	2,379,424.92	2,242,237.45
1925	11,626,658.70	9,310,775.55	2,315,883.15	2,207,819.39
1926	12,050,304.23	9,679,858.08	2,370,446.15	2,233,494.92
1927	12,635,320.15	10,150,206.14	2,485,114.01	2,180,458.26
1928	13,269,718.47	10,889,778.00	2,379,940.47	2,133,209.62
1929	14,498,624.12	11,897,145.91	2,601,478.21	2,124,796.66
1930	14,068,379.51	11,838,503.35	2,229,876.16	1,962,506.63
1931	12,800,638.67	11,048,813.68	1,751,824.99	1,925,703.50
1932	11,243,785.48	9,719,141.50	1,524,643.98	1,860,956.72
1933	10,293,212.46	8,887,177.62	1,406,034.84	1,754,230.09
1934	10,570,097.77	9,129,159.49	1,440,938.28	1,681,218.71
1935	10,516,795.96	9,079,957.70	1,436,838.26	1,611,647.06
1936	10,650,096.34	9,119,506.53	1,530,589.81	1,518,512.69
1937	10,900,677.59	9,231,746.68	1,668,930.91	1,423,047.50
1938	11,047,066.49	9,609,047.10	1,438,019.39	1,342,992.50
1939	11,229,117.87	9,856,888.54	1,372,229.33	1,257,284.99
1940	12,210,884.76	10,370,644.80	1,840,239.96	1,163,104.67
1941	14,368,501.08	11,699,793.09	2,668,707.99	1,029,816.33
1942	18,011,328.27	13,926,325.55	4,085,002.72	942,469.17
1943	20,361,375.81	16,136,202.75	4,225,173.06	849,675.60
1944	21,813,848.37	16,423,331.77	5,390,516.60	751,624.16
1945	23,032,249.87	17,486,650.72	5,545,599.15	653,855.84
1946	24,503,516.89	19,783,923.60	4,719,593.29	573,327.50
1947	24,803,830.51	22,305,179.45	2,498,651.06	489,274.17

GENERAL STATISTICS—1947

Revenue passengers carried—City System	307,590,938
Transfer passengers carried—City System	152,353,947
Revenue passengers—City System—normal week day	950,000
Transfer passengers—City System—normal week day	485,000
Passengers carried—Gray Coach Lines Limited	16,941,205
Car, bus and trolley coach miles—City System	38,477,668
Coach miles—Gray Coach Lines, Limited	10,656,006
Car, bus and trolley coach miles operated—City System—normal week day	117,000
Coach miles operated—Gray Coach Lines, Limited—normal week day	28,500
Miles of single track owned and operated	263.14
Bus and coach route miles	1,256.01
Trolley coach route miles	11.01
Number of street cars owned	963
Number of buses and coaches owned	544
Number of electric trolley coaches owned	69
Longest direct trip—City System—miles	12.00
Longest single route—City System—miles	10.04
Fares (within city limits):	
Adults: 10c cash—4 tickets for 25c; Books of 32 tickets for $2.00	
Children (not over 53½" in height): 3c cash—10 tickets for 25c	
Scholars: 7 tickets for 25c	
Transfers: Free between all routes within City.	
Night Fares: Same as day fares.	
Average Fare—City System: 6.147c	
Annual electric power consumption in kilowatt hours	150,911,550
Annual gasoline consumption—imperial gallons	3,401,000
Number of regular employees	5,924
Annual payroll	$13,630,060
Population:	
Within city limits	695,302
Greater Toronto—estimated	995,544
Toronto citizens residing within 2,000 feet of T.T.C. services	99.5%
Toronto citizens residing within 1,000 feet of T.T.C. services	89.1%
Automobile registrations, City of Toronto (1947) estimated	134,000
Persons per automobile, City of Toronto (1947) estimated	5.19

Engineers Turn Spotlight on Prairies

Midwest's Water and Oil Discussed at EIC Annual

Slanting its technical program mainly to two developments of foremost current interest in the region of meeting, the 61-year-old, 10,000-member Engineering Institute of Canada at Banff spotlighted Prairie water and oil.

Here are highlights from addresses during the four-day technical sessions:

• • •

An all-Prairie plan for "water engineering"?

A new Western Water Board, recently agreed upon by the governments of Canada, Alberta, Saskatchewan and Alberta should provide an excellent medium for co-ordination of engineering work relating to the mighty Saskatchewan and also advance inter-regional studies, said Manitoba Mines & Resources Deputy Minister D. M. Stephens.

In planning for any development of those waters "we have reached the stage where planning within individual regions isn't enough."

Manitoba, with no large known sources of coal, oil or natural gas, looks to water power as an energy source and energy reserve, Mr. Stephens said.

"The people of Manitoba place much emphasis on water power in their thinking and planning. With only 16% of the province agricultural, a large part of the remainder must look to forestry and mining to provide the main economic activities of the future. The forests will provide pulp, paper and cellulose products more readily than lumber and development of these as well as base metal industries needs cheap power.

"Without Island Falls on the Churchill River or some other water power site which could be equivalent in terms of capacity and costs," Mr. Stephens said, "the Flin Flon mine which now supports a city of 10,000 people would never have been developed. It takes almost 100,000 hp. to keep Flin Flon going and there are other large known deposits of ore in the immediate vicinity of Flin Flon for the treatment of which still more power is required. Without the water powers on the Winnipeg River there would be no paper industry at Pine Falls in Manitoba."

• • •

A "Saskatchewan River Authority" to deal with the use of water from that "most important stream serving the Prairies?"

Such an organization is forecast as a possibility of the future by Maj.-Gen. Howard Kennedy, consulting forestry engineer and chairman of the newly created federal-provincial Eastern Rockies Forest Conservation Board.

The Board was formed to administer that portion of the forest reserves on the eastern slopes, which includes streams feeding the Saskatchewan. It will act mainly as consultant, decide what fire protection measures are adequate, what engineering projects are necessary. It will use existing federal and provincial services rather than build up new ones.

One of the first major construction projects will be development of a north-south road system to tie into municipal, provincial and parks systems. The Board believes the summer flow of the Saskatchewan in a few decades will depend largely on the measures it will carry out over the next few years. He said present plans provide for "the most comprehensive forest management project yet attempted in Canada, if not in North America."

• • •

Does Alberta need more hydro power now?

Calgary Power's Production Superintendent T. D. Stanley gives a definite "yes"; reports the electrical load in that province up an average 18% in the first four months. "Even with installation of 30,000 kw. in the Edmonton steam plant now under way, additional hydro power or other development must go ahead at once."

There is at present developed in the Bow Basin 106,000 hp., with an ultimate development of at least 550,000 hp. possible. "Investigation of other rivers in Alberta isn't far enough advanced to give a detailed picture of possible power available. The Dominion Water & Power Bureau has estimated 1,250,000 hp. but Albertans consider this very conservative and that with combined irrigation and power schemes the total available will be seen much higher."

• • •

What industrial development will grow from new Prairie irrigation?

The million acres of expected additional irrigation in Alberta could readily bring about a population increase of 150,000 and major growth in beet sugar and canning, according to A. E. Palmer, Experimental Station superintendent at Lethbridge.

"The establishment of food processing industries is a natural accompaniment of irrigation development under conditions as they exist on the Canadian prairies. With the drought factor eliminated, uniform supplies of raw products are assured without long freight haul.

"Under irrigation a dry climate with long growing seasons becomes a valuable asset to those who make large investments in processing plants," he said. "This explains why the beet sugar and canning industries are growing in Southern Alberta."

Of the million acres of new irrigation projected, perhaps three quarters would be potential sugar beet and canning crop territory. "With no more intensive development than now exists in the Lethbridge area the projected development in Alberta could well support 12 additional sugar factories and 12 canneries."

The growth of these industries depends, of course, on markets as well as on irrigation expansion. The market for canned goods is problematical and may be greatly influenced by development in Canada's northland.

• • •

Double harness for the Bow and Red Deer Rivers?

If power facilities on the Bow —where much water is passed downstream for irrigable lands—were used to generate power for pumping purposes, such cheaper power could be used to pump water for irrigation in some distant drainage basin such as the Red Deer, according to Ben Russell, Edmonton, director of water resources, Province of Alberta.

"If the summer power now wasted on the Bow were used to pump water to land in the Red Deer basin, considerable areas of good lands could be reclaimed, conserving Red Deer water for use in winter. By exchanging power as need arises, these complementary systems could provide for maximum power and irrigation development and maximum function for communities they serve."

• • •

Energy being wasted in irrigation?

Yes, charges Mr. Russell. And he suggests: "Much potential power could be developed to pump water to lands above the canal system; there seems little reason why costly drop structures should not be so designed as to do this.

"By construction of a dam 190 ft. high on the Red Deer at Ardley it is possible to create 370,000 acre feet of storage on the river above the irrigable areas. Some 300,000 acre feet of additional storage at Buffalo lake lies adjacent to the supply canal, but 45 ft. below. This storage could be made to produce 75 to 100 million kw. hrs. of energy annually. Operated in co-operation with the Bow River plants, such a power station could provide a large percentage of winter energy required in Alberta, as well as additional summer energy to pump for irrigation."

• • •

How many farms to get water from Alberta's big St. Mary-Milk Rivers irrigation project?

It will add 393,000 acres under irrigation in Alberta, according to G. L. MacKenzie, chief engineer, Prairie Farm Rehabilitation Administration, Dominion Department of Agriculture. Actually, the project will irrigate about a half-million acres, 120,000 of which, already served, will have supplies increased. It will utilize most of the water of the St. Mary, Milk, Belly and Waterton Rivers.

Construction of the two main dams and connecting canal is under way. The St. Mary dam, Canada's highest earth-fill dam at 186 ft. will require placement of four million cu. yds. of rolled earth fill. The Pothole dam is to be 130 ft. high and very much smaller in volume.

• • •

Radar is color blind. How overcome that weakness in applying radar to navigation and harbor traffic control?

Since radar won't distinguish between a red and a black navigational buoy, this deficiency is being overcome by arranging buoys in a set pattern, according to B. G. Ballard, Ottawa, director of National Council's radio and electrical engineering division. With single buoys, ships' masters are reluctant to rely on radar in confined channels. However, a group of buoys—say, five in line, triangle, star or dice five-spot, and spaced about 50 yards apart—fill the bill nicely.

A prominent Canadian manufacturer is now putting into production the new merchant marine radar developed by NRC from Type 268 originated for the Navy in co-operation with Research Enterprises Ltd. Mr. Ballard gives some details:

"The performance in general improved; inherent cost reduced to a point enabling use by smaller vessels. Performance improvement is mainly by reducing minimum range at which it will operate, since for coastal and harbor navigation the ship's master is interested in obstacles and targets at very short range, down to 50 yards or less. But NRC's set also can 'see' for 20 miles under normal conditions.

"The set is exceedingly simple; contains no unnecesary controls or features. Power requirement is so small that it may be fed from the ship's regular electrical supply."

An elaborate and complex set under control of a fully qualified radar expert was installed a year ago as an experiment at Camperdown, N.S., to control Halifax harbor traffic. There is some doubt that this will detect reliably the presence of smaller wooden craft—which don't give as powerful an echo as larger metal vessels—and danger that one vessel may screen from radar view the presence of another. But results have been good enough to warrant expansion and a similar unit in a mobile form is under construction for study of Vancouver harbor control.

• • •

What has chemical warfare to do with medicine, agriculture, forestry?

In indirect results, plenty, according to H. M. Barrett, chief superintendent, Defense Research Board, Suffield, Alta.

Example: During the last war, researchers sought in vain for a counteragent to effects of mustard gas. But they did come up with a treatment for Lewisite gas poisoning which, though not important in defense, led to an antidote found very effective in controlling poisoning by other arsenic compounds, including many drugs used in treatment of syphilis, and in treatment of lead and mercury poisoning.

Another result of war chemical research is better insecticides and ways of using them. The entomological section of the Suffield defense research station is collaborating with the Department of Agriculture, including full-scale trials against infested crops. New materials of high toxicity to mammals, man in particular, are being continually looked for and many tested for toxicity to insects. And techniques employed in dispersing chemical warfare agents—aircraft spray, smoke generation, bombs — are found useful against insect infestation.

• • •

How good is the recently developed hydraulic barker for pulp logs?

It looks fine to Powell River Co., which in the last few weeks has been clocking handsome savings with a new installation at Powell River, B.C. According to company engineers P. R. Sandwell, G. Goumeniouk and R. M. Stewart, Powell River has experienced a reduction of waste from former methods—aggregation of barking drums, knife barkers, clippers, conveyors, etc.—amounting to about 1.7 million board feet of logs a month, currently worth over $700,000 a year.

As well, it cuts labor costs; in some cases uses less power; does away with earlier arduous and unpleasant work. Commercial development of the barker has taken place in the last five years.

• • •

How many parks per town?

For every 100 people in a town or city there should be one acre of park and parks shouldn't be more than a half-mile apart. In the developed part of a city, no place should be more than a quarter-mile from any transit line. J. A. Walker listed these among essentials of a proper community plan. He is executive engineer of the Vancouver Town Planning Commission.

• • •

What's the newest phase of engineering?

Reservoir engineering, so named and developed in the last few years, has to do with extraction of fluids from petroleum reservoirs and with movements of fluids within reservoirs, according to E. D. Wilson, assistant division engineer of Imperial Oil's producing dept. at Calgary.

Application of reservoir engineering methods has increased the oil reserves of the world by many millions of barrels and further progress in this phase of oil production is expected, Mr. Wilson said. He dealt briefly with the whole range of oil field engineering practices.

• • •

Why are possibilities of hydrocarbon synthesis of oil from coal or gas (The Financial Post, May 1) getting sharper attention? Will Canada get a synthesis plant?

World crude output at 8.7 million barrels a day — almost 60% above prewar — is far below demand; United States for the first time is a net importer; Canada produces less than 10% of its requirement. These and defense preparedness are main reasons for new interest in ways to manufacture oil as supplement to pumped supplies, as summarized by the manufacturing department of Imperial Oil's engineering and development division at Sarnia, Ont.

But "it appears unlikely that a synthesis plant will be constructed in Canada in the near future," says the Imperial report, after recounting that in United States oil from gas, unlike oil from coal, has passed the pilot plant stage and that natural gas oil plants are under construction, one in Texas by Carthage Hydrocol, another in Kansas by Stanolind Oil & Gas.

Three arguments against a Canadian plant (the report considers here only the gas process, as at present the only one competitive with crude refining):

1. The only gas reserves large enough are in the West; discovery of the Leduc oil field "has greatly strengthened the widely held conviction that this area may ultimately become one of the world's major oil producers," with possible reduction in crude price and deterioration of the competitive position of a synthesis plant.

2. Synthesis is a new process undergoing intensive development — some development may take place in the next few years rendering present costly synthesis plants obsolete.

3. Limited market for chemicals in Canada. It appears that the first few U. S. plants will be able to dispose of these chemicals at an attractive return but the Canadian market is so small that production from even a moderate size plant cannot be absorbed.

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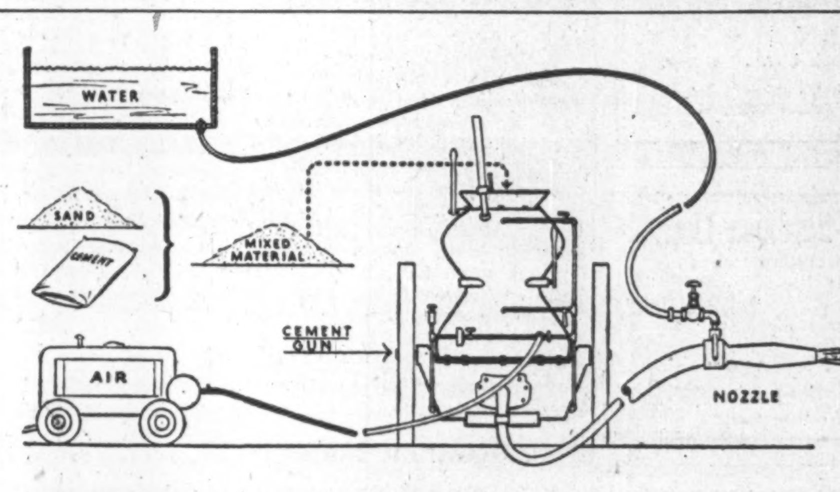

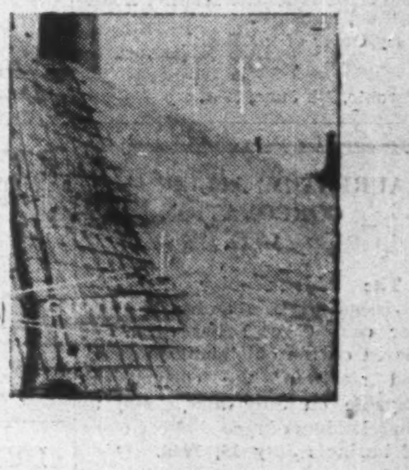

WHAT IS GUNITE?

Gunite has been defined as a dry mixture of cement and sand (or other aggregate) applied pneumatically by means of a "Cement Gun", and hydrated at the nozzle immediately before projection against the working surface.

Gunite is designed for a much higher compressive strength and is denser than concrete. Its density resists the entrance of water which is the commonest cause of disintegration in concrete—the alternate freezing and thawing of the moisture which has penetrated the surface. In concrete repair work the bond obtained between Gunite and a properly prepared surface is stronger than the concrete itself. Gunite can be applied in any thickness, with or without reinforcing.

Gunite is used extensively for the construction of thin waterproof curtain walls in industrial plants; restoration of old concrete structures, dams, old brick and masonry buildings, grain elevators, etc. Gunite is ideal for encasing structural steel to provide fire resistance and additional strength.

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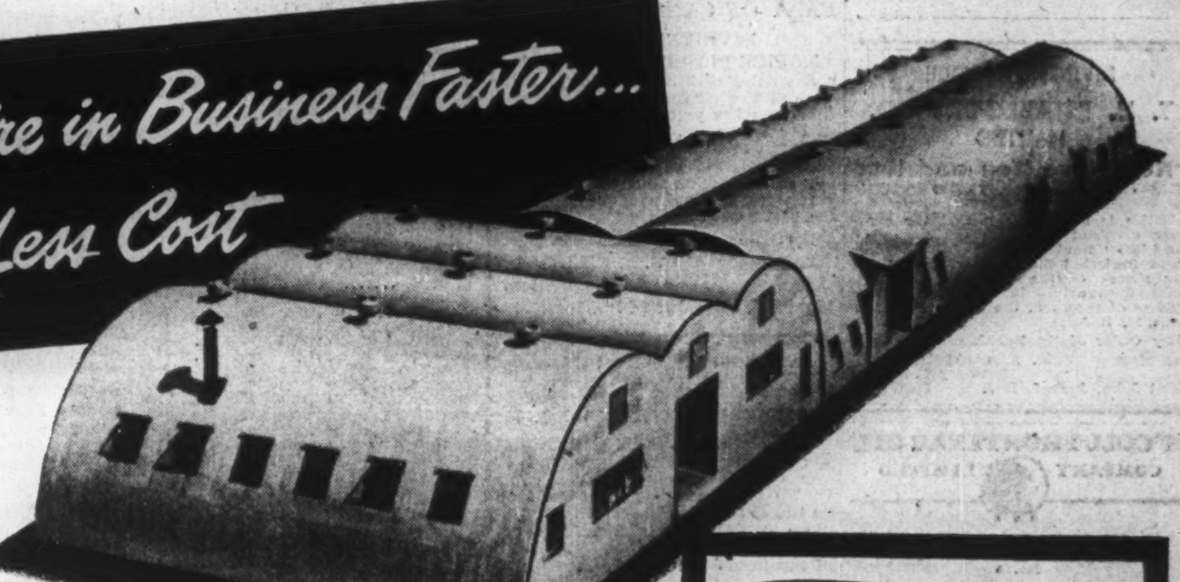

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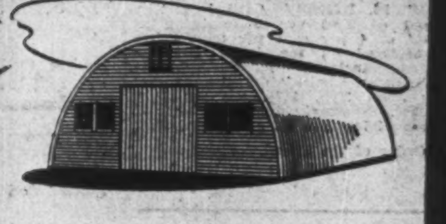
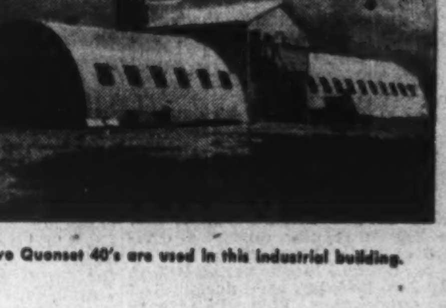


This is the basic Quonset 40—40 feet wide and as long as you like, in extensions of 20 feet. Your choice of interior and exterior collateral materials can be added to it. Five other basic Quonsets are available—the 20, the 24, the 32, the 36, and the Multiple.

Do you want to start—or expand—a business? Go modern with Quonsets! Quonsets go up in days instead of months. And Quonsets give you much more for your money—all-steel construction, strength, fire-resistance, freedom from warp and rot. They're factory-fabricated with Stran-Steel framing that has the exclusive, patented nailing groove to which exterior steel sheathing and any desired collateral materials are *nailed*.

There's a Quonset of the right size and type for your business. See here a few examples of the way Quonsets can be adapted for a wide variety of business uses. Then see your Quonset dealer—or write or wire for his name and address.

A smart commercial adaptation of the Quonset 40.



Two Quonset 40's are used in this industrial building.

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DIVIDEND NOTICES

THE BANK OF NOVA SCOTIA

Dividend No. 315

Notice is hereby given that a Dividend of thirty cents per share on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of 16th July, 1948, and that the same will be payable on and after Monday, the second day of August next, at any of the offices of the Bank in Canada.

By Order of the Board.

H. L. ENMAN, General Manager.

Halifax, N.S., 8th June, 1948.

The Canadian Bank of Commerce

DIVIDEND NO. 246

NOTICE is hereby given that a DIVIDEND OF TWENTY CENTS per share on the paid-up Capital Stock of this Bank has been declared for the quarter ending 31st July, 1948, and that the same will be payable at the Bank and its Branches on and after MONDAY, the SECOND day of AUGUST next, to Shareholders of record at the close of business on 30th June, 1948. The Transfer Books will not be closed.

By Order of the Board.

JAMES STEWART, General Manager.

Toronto, 4th June, 1948.

LAURENTIDE ACCEPTANCE CORPORATION LTD.

The 35th regular quarterly dividend of One and a quarter per cent (1¼%) has been declared on the outstanding preferred stock of the corporation, payable on July 31st, 1948, to shareholders of record at the close of business July 15, 1948.

LUCIEN ROUX, Secretary-Treasurer.

The Toronto Mortgage Company

QUARTERLY DIVIDEND

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current quarter, and that the same will be payable on

1st July, 1948,

to shareholders of record on the books of the Company at the close of business on 15th instant.

By Order of the Board,

PHILIP SIMMONDS, Manager.

3rd June, 1948.

DIVIDEND NOTICE

T. H. ESTABROOKS CO. LIMITED

"Red Rose Tea and Red Rose Coffee"

Notice is hereby given that the quarterly dividend (26 cents per share) on the 4.16% Cumulative Redeemable Sinking Fund Preferred Shares (par value $25.00 per share) of the Company has been declared payable July 15, 1948, to shareholders of record at the close of business June 19, 1948.

By Order of the Board,

M. L. CHAPMAN, Secretary-Treasurer.

Saint John, June 5, 1948.

McCOLL-FRONTENAC OIL COMPANY LIMITED

PREFERRED STOCK DIVIDEND No. 8

NOTICE IS HEREBY GIVEN that a Dividend of $1.00 per share being at the rate of 4 per cent per annum has been declared on the 4% Cumulative Preferred Stock of McColl-Frontenac Oil Company Limited for the quarter ending June 30th, 1948, payable July 20th, 1948, to shareholders of record at the close of business on June 30th, 1948.

By Order of the Board,

FRED HUNT, Secretary.

Empire Brass Mfg. Co. Limited

CLASS "A" SHARES DIVIDEND NO. 6

Notice is hereby given that the regular quarterly dividend of twenty-five cents (25c) per share has been declared for the three-month period ending July 15, 1948, on the Class "A" Shares, payable on July 15, 1948, to Shareholders of record at close of business June 30, 1948.

By Order of the Board.

S. C. COSSAR, Secretary-Treasurer.

Dated at London, June 10, 1948.

DIVIDEND NO. 35

Hudson Bay Mining and Smelting Co., Limited

A Dividend of one dollar ($1.00) (Canadian) per share has been declared on the Capital Stock of this Company, payable September 13, 1948, to shareholders of record at the close of business on August 13, 1948.

H. E. DODGE, Treasurer.

The Murphy Paint Company Limited

The following quarterly dividend has been declared by the Board of Directors, payable 30th June, 1948, to shareholders of record at the close of business on 17th June, 1948.

Common Stock — Twenty Cents ($0.20) per share on the No Par Value shares.

P. L. TOD, Secretary-Treasurer.

MONTREAL, 27th May, 1948.

ESSEX PACKERS LIMITED

NOTICE IS HEREBY GIVEN that the Eighth regular quarterly dividend of 1¼% (being at the rate of 5% per annum) for the period ending July 2nd, 1948, has been declared on the outstanding First Preference shares of the Company, payable July 2nd, 1948, to shareholders of record at close of business June 14th, 1948.

By Order of the Board,

C. J. McKEE, Secretary-Treasurer.

Hamilton, June 3rd, 1948.

DIVIDEND NOTICES

THE DOMINION BANK

DIVIDEND NO. 263

Notice is hereby given that a dividend of two and one-half per cent (twenty-five cents per share) upon the paid up capital stock of this Bank has been declared for the quarter ending 31st July, 1948. The dividend will be payable at the Head Office of the Bank and its Branches on and after Monday, the second day of August, 1948, to shareholders of record of the 15th July, 1949.

By Order of the Board.

ROBERT RAE, General Manager.

Toronto, 10th June, 1948.

THE STERLING TRUSTS CORPORATION

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 1¼% for the current quarter ending June 30th, 1948, has been declared on the paid up capital stock of the Corporation and will be payable on July 2nd, 1948, to shareholders of record at the close of business on June 15th, 1948.

By order of the Board,

E. R. MEREDITH, Secretary.

Anglo-Huronian Limited

DIVIDEND NO. 22

NOTICE IS HEREBY GIVEN that a dividend of Ten Cents (10c) per share, in Canadian Funds, on the issued capital stock of the Company has been declared payable July 23rd, 1948, to shareholders of record at the close of business June 25th, 1948.

J. INGRAM, Secretary-Treasurer.

Toronto, June 15th, 1948.

PENMANS LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of July, 1948.

On the Preferred Stock, one and one-half per cent, (1½%), payable on the 2nd day of August to Shareholders of record of the 2nd day of July, 1948.

On the Common Stock, seventy-five cents (75c) per share, payable on the 16th day of August to Shareholders of record of the 15th day of July, 1948.

By Order of the Board.

C. B. ROBINSON, Secretary-Treasurer.

Montreal, June 14, 1948.

THE CONSOLIDATED MINING AND SMELTING COMPANY OF CANADA LIMITED

DIVIDEND NO. 86

NOTICE IS HEREBY GIVEN that a Dividend of $1.50 per share, with an extra distribution of $3.50 per share, on the paid-up Capital Stock of the Company, has this day been declared for the six months ending 30th June, 1948, payable on the 15th day of July, 1948, to shareholders of record at the close of business on the 21st day of June, 1948.

By Order of the Board.

J. E. RILEY, Secretary.

Montreal, P.Q., June 14th, 1948.

Silverwood Western Dairies Limited

PREFERRED DIVIDEND NO. 13

NOTICE IS HEREBY GIVEN that the regular quarterly dividend of one dollar and twenty-five cents ($1.25) per share has been declared on the Preferred Shares of the Company, payable July 2nd, 1948, to shareholders of record as at the close of business June 10th, 1948.

By Order of the Board.

L. R. GRAY, Secretary.

London, Ontario, June 9th, 1948.

Silverwood Dairies Limited

CLASS "A" DIVIDEND NO. 7

NOTICE IS HEREBY GIVEN that the regular quarterly dividend of Fifteen Cents (15c) per share has been declared on the outstanding Class "A" shares of the Company, payable July 2nd, 1948, to shareholders of record as at the close of business on June 10th, 1948.

By Order of the Board.

L. R. GRAY, Secretary.

London, Ontario, June 9th, 1948.

DOMINION COAL COMPANY, LIMITED

DIVIDEND NOTICE

Notice is hereby given that subject to obtaining the approval of the Foreign Exchange Control Board of Canada a dividend of 75 cents per share on the outstanding 8% Cumulative Sinking Fund Preferred Stock of this Company has been declared payable on 21st July, 1948, to shareholders of record at the close of business on 23rd June, 1948, said dividend being the regular quarterly dividend of 37 cents per share for the quarterly period ending June 30th, 1948, plus a payment of 38 cents per share on account of arrears of accumulated dividends on such Preferred Stock.

By Order of the Board,

R. C. McDONALD, Secretary.

Montreal, P.Q., June 10, 1948.

Dominion Steel and Coal Corporation Limited

DIVIDEND NOTICE

Notice is hereby given that subject to obtaining the approval of the Foreign Exchange Control Board of Canada a dividend of 25 cents per share on the outstanding Common Class "B" shares of the Capital Stock of the Corporation has been declared for the half-yearly period ending June 30th, 1948, such dividend to be payable on July 21st, 1948, to shareholders of record at the close of business on June 23rd, 1948.

By Order of the Board.

R. C. McDONALD, Secretary.

Montreal, P.Q., June 10, 1948.

Grasshoppers Again Ravage Sask. Crops

From Our Own Correspondent

REGINA — Grasshoppers are ravaging Saskatchewan farms and damage to crops is expected to run into millions. Infested areas are spreading daily, due to perfect weather conditions.

W. H. Horner, Field Crops Commissioner, said the outbreaks are more severe and widespread than anticipated by municipal and provincial officials. Crop damage will probably be the highest since 1940, when it was estimated at $14 millions; and it may be even higher unless heavy rains and lower temperatures come soon. The Government, which pays 50% of the cost of fighting the 'hopper menace, has allocated $70,000 for this purpose.

Crops are at a standstill in the southwest and western parts because of exceptionally dry weather and are quickly cut down by grasshoppers, Mr. Horner said. Reports indicate that the pests are most numerous in the Saskatoon region, including the Rosetown, Kerrobert, Rosthern; Aberdeen and Bradwell districts; and the Shaunavon-Robsart area. Serious outbreaks have also been reported in the Herschel-Stranraer-Plenty districts. It is estimated that between $40,000 and $50,000 will be spent in this area in a control compaign.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

June 15, 1948

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
♦Alg. Cen. H.B.R.	5	'59	65½	68½	65½
†Assoc. Tel. & T.	5½	'55	109	...	109
Bell Telephone	3	'77	96½	99½	96
B. C. Electric	3½	'67	93	96	93½
Calgary Power	3½	'72	95	98	95
East Kootenay	3½	'67	94	97	94
♦Gatineau Pr. D	3½	'70	97	100	96½
*Do., C	3	'76	95	...	95
Gt. Lakes Pwr.	3½	'67	94½	97½	95
*Int. Hydro-El.	6	'44	67	70	65½
L. St. Law. Pr.	3½	'65	98	101	98
Maclaren-Quebec Power	3	'69	94½	...	94
†Mtl. Trams. A	5	'55	98½	...	98
Nat. Lt. & Pr.	4½	'61	99½	...	99½
Nor. Que. Pr.	4½	'67	97½	100½	97½
Ott. L.H. & P.	4	'57	100	...	100
Power Corp.	3½	'67	95	...	95
Quebec Pwr.	3	'62	96½	99½	97
*Saguenay Pr.	3	'71	96	100	96
St. Maurice Pr.	3½	'70	95½	98½	95½
Shaw. W. & Pr.	3	'61	98	101	98
Shaw. W. & Pr.	3	'71	95	98	95
Do.	3½	'70	100	103	100
Union Gas	4½	'50	99½	...	99½
Un. Fuel Invest.	4	'59	99	...	99
United Secs.	3	'52	98½	...	98½
Wpg. El.	3½	'71	101	104	101
Industrial and Realty Issues:					
Abitibi Pr. P.	3½	'67	97½	100½	97½
Acadia-Atlantic Sugar	3½	'68	100½	103½	100½
Aluminum Co.	3½	'74	101	104	101
Bathurst P. & P.	3½	'68	98	101	98
B. C. For. Pdcts.	4	'66	93½	96½	93½
B. C. Pulp & P.	3½	'67	95	98	94½
Bowater's Nfld. P. & P.	3½	'63	97	100	97
Brompton P. & Paper	3½	'66	95	98	94½
*Brown Co.	5	'59	101½	104½	101
Burns & Co.	4	'63	98	101	98
Can. Steamship	3½	'57	101	104	101
Can. Brews.	3½	'67	94	97	94
Can. Celanese	3	'62	96	99	96
Can. Oil	3½	'62	98	101	98
Can. West Lum.	4	'62	99	102	99
Chatco Stl. Prod.	4	'67	91	95	91
C. P. R.	3½	'51	102	105	102
Do.	4	'49	101½	...	101½
*C. P. R.	4	Perp.	109	...	109
Consol. Paper	3½	'67	100	103	100
Dom. Coal	4½	'52	100	...	100
Dom. T. & Ch.	3½	'57	100½	...	100½
Dom. Textile	3½	'59	101½	...	101½
Dom. Woollens	5	'64	100	103	100
Dryden Pap.	4	'61	99½	...	99½
E. B. Eddy	3½	'66	95	98	95
E. B. Eddy	4	'66	100	103	99½
English Elec.	4	'67	94½	...	94½
Federal Grain	4	'64	98	101	98
Gt. Lakes Pap.	3½	'67	98	...	98
Imperial Tobac.	2½	'66	95	98	95
Indust. Accept.	3½	'66	93	96	93
Lake St. J. P.	5½	'61	101	...	101
Do.	5	'61	101	104	101
Lang, John A.	4½	'62	99	...	99
Laurentian Silk	4½	'67	99	...	99
MacMillan (H. R.) Export	4	'63	100½	103½	100½
Maple L. M.	3½	'63	98½	102	98½
Massey-Harris	3	'66	93	96	93
McColl Fron.	3	'71	95	98	95
McCormicks	4	'52	99½	...	99½
Mercury Mills	4	'63	99½	102½	99½
Monarch Knit.	4	'66	99½	102½	99½
Morgan (Henry) Prop.	3½	'67	94½	...	94½
N.S. Stl. Coal	3½	'63	96	99	96
Penman's	3½	'66	98	...	98
Price Bros.	3½	'66	99	...	99
Silv. Dairies	4	'60-64	97	101	97
Do.	4	'71	94	98	94
Simpsons Ltd.	3½	'60	101	104	101
Steel Co. of Can.	3½	'67	94	97	94
Toronto Elevat.	3½	'66	98	...	98
United Corp.	4	'58	99	...	99
United Steel	4	'60	98½	101½	98½
Untd. Grain Gr.	4	'63	99½	...	99½
†Western Grain	5	'63	75½	79½	75½
York Kt. Mills	3½	'71	90	94	90

*Payable in Can. or U.S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
♦Payable in Canada only.
♦Payable in Canada or U. K.

Municipal Bonds

June 15, 1948

	Coup. %	Matur.	Bid $	Ask. $	Yld. %
Victoria	3¾	'55-66	98	101	3.60
Vancouver	3	'67	93	96	3.27
Calgary	3½	'51-61	99	101	3.12
Edmonton	3½	'49-59	99	101	2.67
Regina	3	'64	92	95	3.39
Moose Jaw	3-3½	'60	97	99	3.27
Winnipeg	2¾	'66	93	96	3.03
Ottawa	3	'54	101	103	2.48
Toronto	2¾	'72	92	95	3.05
Hamilton	3	'53	101½	103½	2.25
Windsor	2½	'75	72½	75½	3.95
Quebec	2¾	'66	90	93	3.26
Halifax	3	'66	95	97	3.22
Saint John	3½	'65	100	103	3.27
Windsor	2¾	'75	76	79	4.00
Windsor	3½	'75	89	92	3.98
Montreal	3	'70	93	96	3.25

DIVIDEND NOTICES

SHEEP CREEK GOLD MINES LIMITED

(Non-Personal Liability)

NOTICE OF DIVIDEND NO. 44

Notice is hereby given that an Interim Dividend of one and one-half cents per share has been declared on the paid-up Capital Stock of the Company, payable on the 15th day of July, 1948, to shareholders of record at the close of business on the 30th day of June, 1948.

Persons holding certificates not registered in their name, commonly known as "street" certificates, should have them registered in their name by the Company's transfer agents, Prudential Trust Company Limited, at their office, 475 Howe Street, Vancouver, B.C., or at their office, 217 Bay Street, Toronto, Ontario, or at their office, 455 St. John Street, Montreal, P.Q., on or before 30th June next.

By Order of the Board.

JAMES ANDERSON & CO. LTD., Secretary.

Vancouver, B.C., June 14, 1948.

Canada Combines Said Not Needed In Western U. S.

From Our Own Correspondent

WINNIPEG — Crop conditions may bar Canadian harvesting combines from the United States this year. Reports received here tell of unfavorable harvesting conditions in several western areas. Wheat harvesting throughout Texas, Oklahoma and New Mexico, has been delayed by rain. No additional combines are said needed in northern Oklahoma; while Nebraska and western Kansas also report the outlook discouraging.

Import Control List Extended OverMachinery

OTTAWA (Staff)—A score of items representing over $200 millions of imports in 1947, are to be brought under import control (Schedule III) on June 26. The official list virtually completes the remaining items in Schedule III not previously brought under control. Still outside the control, and likely to remain so, are a small number of iron and steel classifications.

The complete list follows:

Ex 409m — Internal combustion traction engines for other than farm purposes and complete parts thereof for production use.

ex 427—All machinery composed wholly or in part of iron or steel, n.o.p., valued at over $200 per unit; complete parts thereof for production use.

ex 427a—All machinery composed wholly or in part of iron or steel, n.o.p., of a class or kind not made in Canada, valued at over $200 per unit; complete parts of the foregoing for production use.

ex 428—Traction engines, n.o.p.; complete parts thereof for production use.

ex 428c—Engines or boilers, n.o.p.; complete parts thereof for production use.

ex 428f—Air-cooled internal combustion engines of not greater than 1½ h.p. rating; complete parts thereof for production use.

438j—Piston castings of any material, in the rough or semifinished.

ex 440L—Aircraft, n.o.p.; complete parts thereof for production use, not including engines, under regulations prescribed by the Minister.

440m ex (i) Unfinished parts of aircraft, n.o.p., for production use, not including parts for production of aircraft engines.

(ii) Direct or inertia starters with or without related operating gear and parts thereof; generators; voltage control boxes; batteries; deicing and anti-icing equipment and parts thereof, not including parts of rubber; vacuum pumps with related operating gear and parts thereof; landing and navigation lights; propellers; hydraulic jacks and pumps and parts thereof; aircraft wheels; aircraft brakes with related operating gear; aircraft tires and tubes; oil coolers; fuel pressure warning devices; exhaust gas analyzers; pressure fire extinguishers; primer pumps; instruments excepting fuel contents gauges; bolts, nuts, cocks, turnbuckles, clevis and pins, swaged wires and tie rods; bars, tubes, extrusions and forgings of aluminum alloys and magnesium alloys; steel tubing; all of the foregoing when of types and sizes not made in Canada and imported by manufacturers of aircraft for use exclusively in the manufacture in their own factories of the goods enumerated in tariff item 440L, under such regulations as the Minister may prescribe.

440n—Engines, when imported for use in the equipment of aircraft.

440o—ex (ii) Parts, finished or not, n.o.p., for the production of aircraft engines.

440p—Direct or inertia starters with or without related operating gear and parts thereof; generators; voltage control boxes; batteries; deicing and anti-icing equipment and parts thereof, not including parts of rubber; vacuum pumps with related operating gear and parts thereof; landing and navigation lights; propellers; hydraulic jack and pumps and parts thereof; aircraft wheels; aircraft brakes with related operating gear and parts thereof; aircraft tires and tubes; oil coolers; fuel pressure warning devices; exhaust gas analyzers; pressure fire extinguishers; primer pumps; instruments excepting fuel contents gauges; bolts, nuts, cocks, turnbuckles, clevis and pins, swaged wires and tie rods; bars, tubes, extrusions and forgings of aluminum, aluminum alloys and magnesium alloys; steel tubing; all the foregoing when of types and sizes not made in Canada and imported for use exclusively in the manufacture of the goods enumerated in tariff item 440L under such regulations as the Minister may prescribe.

ex 442d—Materials, including all parts, wholly or in chief part of metal, of a class or kind not made in Canada, when imported by manufacturers of goods entitled to entry under tariff items 310g, 410L, 410n, 410o, 410p, 410q, 410u, 410w, 410z, 411, 411a, 411b, 428c, 428e and 447a, for use in the manufacture of such goods in their own factories, under such regulations as the Minister may prescribe.

ex 445f—Electric dynamos or generators and transformers, n.o.p.; complete parts thereof for production use.

ex 445g—Electric motors, n.o.p.; complete parts thereof for production use.

ex 445k — Electric apparatus, n.o.p., complete parts for production use, of a total invoice value exceeding $25.

ex 446a—Manufactures, articles or wares, of iron or steel or of which iron or steel or both are the component materials of chief value, n.o.p., of a total invoice value in excess of $200.

ex 446g—Electric or gas apparatus designed for welding or cutting, not including motors; parts thereof for production use.

Rain Needed To Aid Crops Through West

(Special Correspondence)

WINNIPEG — The whole crop area of Western Canada needs rain, and in some parts the need is becoming urgent. Crop production in the West is always dependent on June rains; even when, as this year, subsoil moisture supplies are good.

Warm weather in early June tended to overcome the handicap imposed on the crop by late seeding, and germination and early growth were, on the whole, excellent. There was, however, in large areas a tendency for the rapid early growth, combined with drying weather, to exhaust the surface moisture before plant roots had well penetrated into the subsoil.

A series of cool nights has tended, however, to check too rapid top growth and to cause the roots to strike deeper. Until the rains come, it is hoped that cool weather will continue. A spell of hot, dry weather could cause deterioration which later rains could hardly overcome. Over most of Manitoba, and considerable parts of the other two provinces, the crop could probably stand another week without much moisture, before any irretrievable damage would be done; but elsewhere, prospects will be definitely impaired without early precipitation.

In the market for feed grains, there has been some strengthening of demand for oats and barley, consequent on the rising prices for beef and beef cattle, which seemed to be predicated upon expectation of early removal of the Canadian embargo against export shipments. While it is generally assumed that removal of that embargo will cause a lifting of restrictions on the export of feed grains, it is generally supposed this will not take place until the new crop begins to move.

Such restrictions at present are not by way of embargo, but by way of high fees for export permits, around 40c a bushel for oats and 65c for barley. While these fluctuate from day to day, generally falling as Canadian market prices rise, and vice versa, they are held at such levels as to prohibit any except minimum shipments to the United States, and to force a very high cost upon any European countries which buy such grain.

Country deliveries of grain are now beginning to increase, as farmers are no longer exclusively occupied with work on the land. They are likely, however, to continue restricted until farmers begin to be fairly confident of the outcome of the growing crop.

Five Million Prairie Acres Sprayed with New Weed Killer

From Our Own Correspondent

WINNIPEG — Five million acres of prairie grain fields are to be treated this year with 2,4-D, the chemical weed killer which may raise the curtain on a new era for agriculture in Western Canada.

Experiments the last two years have given encouraging results, and as a consequence the 1948 program has been stepped up to the largest project of its kind yet undertaken. Between 15,000 and 20,000 machines are being used to dust and spray fields in which weed crops are competing with the sown grain.

In Manitoba alone several thousand small trial plots are being treated under supervision of a committee of the Manitoba Weeds Commission. These are independent of the grain acreages on private farms.

In the last two years, the chemical has been applied to crops infested with weeds. This year there is a series of pre-emergence tests, that is, the chemical is applied before the crop appears. Three acres of small plots are being tried with plantings of both cereals and vegetables by the Plant Science Division of the University of Manitoba. Similar tests are being tried at the Brandon Experimental Farm, Headingly, Altona, and Portage la Prairie. It has not been possible as yet to appraise the results.

World Wheat Pact Outlook Seen Doomed By U.S. Senate

OTTAWA (Staff)—Assuming (as is done here))that the U. S. Senate will not ratify the International Wheat Agreement this week before adjournment, the chances of another world pact being negotiated next spring, are not looked upon as bright.

The present pact must be ratified by July 1, and was supposed in that event to become effective Aug. 1. Without U.S. approval, the agreement is a dead duck; and once the U.S. Senate adjourns June 19, the chances of its coming back and doing this particular bit of homework are virtually nil. (Because the agreement is rated as a treaty, it requires a two-thirds vote in the U.S. Senate but does not require approval by the House of Representatives.)

Reports that the present agreement might merely be postponed for a year, are not given much credence here. Experts say that there is no such provision in the pact, and that, come next spring, an entirely different set of circumstances would almost certainly mean that one or more of the key nations would want to look at the whole problem again—both as to principle and detail.

Certainly most nations will not want to take an unnecessary commitment of this sort so far ahead, it is argued. This means that if anything is done at all, it will be at least next spring before the sponsors of the present pact can be expected to foregather and pick up the pieces.

KAYRAND MINING & DEVELOPMENT CO. concentrated work in 1947 on the Sulphide zone where a magnetometer survey was run and three X-ray drill holes completed. Six anomalies were outlined, two of which, the A and B zones, are of considerable size. The A zone has a length of 800 ft. with widths up to 200 ft., while the B zone has a length of 1,100 ft. and widths up to 300 ft. Values in copper, zinc and gold were reported obtained in surface trenching and preliminary drilling. Company has obtained 21 additional claims on possible extension to south and east. Extensive drilling was also done on Louvicourt twp. property where only low values were secured. Current assets were $6,124 and liabilities $260 at Dec. 31.

Government Bonds

June 15, 1948 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask
Victory Loans:			
3	June 1951	103½	103¾
3	Mar. 1954	103¾	104¼
3	Nov. 1956	103¼	103¾
3	May 1957	102½	102¾
3	Jan. 1959	101½	102
3	June 1960	100¾	101¼
3	Feb. 1962	100½	100¾
1¾	Nov. 1950	100½	100¾
3	Oct. 1963	100½	100¾
3	Sept. 1966	100½	100¾
1¾	Nov. 1949	100½	100¾
1¾	Nov. 1948	99¾	100¼
Dom. of Canada Bonds:			
3½	Nov. 1951	100¾	101½
3¼	Feb. 1952	102¾	103¾
3	Oct. 1952	101¾	102½
3	June 1955	101¾	102¾
3	June 1958	101½	102½
4½	Nov. 1959	103¾	104½
3¼	June 1966	102½	103
3	Perpetual	98¾	99½
4½	Nov. 1958	100¾	101½
Dom. Guarant'd Bonds			
Can. Nat. Railways:			
3	Jan. 1959	100½	101½
4½	Sept. 1951	*106¾	*107¾
4½	Feb. 1956	*112	*113
4½	July 1957	*113¾	*114¾
4¾	June 1955	*112¾	*114¾
5	Oct. 1969	*108	*109½
5	Feb. 1954	112½	114
5	Feb. 1970	*108½	*110
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955	*112½	*114

%	Due	Bid	Ask
Grand Trunk Pacific Rly.:			
3	Jan. 1962	*100	*102
4	Jan. 1962	*110	*112½
Montreal Harbour Com.:			
5	Nov. 1969	*108	*109½
Provincial Govt. Bonds			
Alberta:			
3½	June 1950/64	100½	102
3½	June 1959	104	106½
3½	June 1950/72	101½	102¾
3½	June 1950/71	100½	102
British Columbia:			
2¾	Jan. 1967	94½	96
3	Dec. 1960	99	100½
4½	Jan. 1969	124½	126½
4	Dec. 1957	114	116
5	Apr. 1954	119½	121½
5	Sept. 1953	108½	110
Manitoba:			
4	Dec. 1957	115	117
4½	Dec. 1956	118	120
5	Dec. 1959	125	127
2¾	Aug. 1962/64	94½	96½
5½	July 1958	117½	120
New Brunswick:			
4½	Apr. 1961	116	119
5	Jan. 1960	119	121½
2¾	June 1963	91½	93
3½	Mar. 1958	99¾	101
Nova Scotia:			
3½	June 1956	101¾	103½
4½	Nov. 1960	122¾	124¾
5	Mar. 1960	126	128½
3	June 1956/58	100	101½
2¾	Sept. 1966	93½	94¾
3½	May 1960/62	100½	102

%	Due	Bid	Ask
Ontario:			
2¾	Nov. 1966/69	94½	96¾
3	Apr. 1962/65	98¾	100
3½	May 1952/55	102½	103¾
4	June 1962	120½	123½
4½	June 1950	104	105
4½	Jan. 1962	126	128½
5	Oct. 1948	100¾	101¾
5	Dec. 1960	131½	133
2¾	July 1967/76	91¾	94½
Ont. Hydro Commission:			
4	Aug. 1957	117	119½
2¾	June 1961/71	93½	95
2¾	Oct. 1965/68	94½	96¾
Prince Edward Island:			
4	Mar. 1951/54	101½	103½
Quebec:			
3½	Mar. 1954/59	102¾	104½
3½	Feb. 1952/55	103½	105
4½	Aug. 1958	109½	110¾
4½	Jan. 1963	114	116
3	Feb. 1960/62	100	101½
4	Nov. 1950/52	103½	104¾
Quebec Hydro Com.:			
3	Feb. 1969/73	98	99½
Saskatchewan:			
4	Nov. 1955/60	99¾	101½
5	Aug. 1958	106¾	108¾
4½	Mar. 1960	108½	110½
5	Dec. 1959	110½	112½
5½	Oct. 1952	104¾	107½
6	Mar. 1952	105¾	108½
3	Mar. 1963	91½	93¾
3½	Nov. 1960/62	93½	95½
3¾	Feb. 1960/62	98½	99¾

*New York funds.

Grain Prices

Winnipeg Grain Futures

Week to June 14, 1948

Crop year from Aug. 1, 1947 High	Low		High for week	Low for week	Close June 14
		Oats			
.96⅝	.68½	July	.96	.88½	.95⅞
.84½	.66⅝	Oct.	.81½	.77⅜	.81⅝
		Barley			
1.25⅛	1.03¾	July	1.22½	1.17⅜	1.20⅛
1.25¾	.96½	Oct.	1.06¼	1.01½	1.06⅜
		Rye			
3.93⅛	3.01	July	2.80	2.58¾	2.66
3.05¼	1.68	Oct.	2.03⅛	1.91	2.03⅛

Cash Quotations

	For Week June 14 High	Low	Prev. Week High	Low
Oats				
2 C. W.	.96⅞	.89⅝	.99⅛	.94⅛
3 C. W.	.95⅞	.89⅝	.99⅛	.94⅛
Barley				
1 Feed	1.17⅛	1.14⅛	1.25¼	1.21
2 Feed	1.13⅝	1.11⅛	1.19¾	1.16⅛
Rye				
2 C. W.	2.77½	2.64⅝	3.28¾	2.87½

McCABE COMPLETE WORLD-WIDE FACILITIES

Manufacturers of famous "Victoria" livestock feeds . . . specialists in forage and pea seeds . . . offering complete grain and seed handling facilities, McCabe's provide "Canada's Most Complete Farm Service." Victoria Products Co., Ltd. are distributors of farm equipment and branded feed supplements.

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Terminal, Fort William

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Own and Operate
Terminal Elevators in Fort William
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31 Vessels on the Great Lakes
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THE ALBERTA PACIFIC GRAIN CO. (1943) LTD.

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CANADA

How Is the Cash Position of Your Company?

Financial Post Survey Shows 1939-'47 Position of 54 Firms

By CLAUDE TAYLOR

The quickly realizable current assets of many Canadian industries were sufficient to meet all current liabilities at end of last fiscal year, a Financial Post survey of balance sheets on 54 companies disclosed. This highlight indicated that these firms would not have to rely on reducing inventories to meet any day-to-day cash demands that might arise.

Canadian business executives are apparently seeing that, compared with 1939, all or greater percentages of current liabilities are covered by the quickly realizable assets of cash, investments and accounts receivable.

Analysis of financial statements show considerable shifting of cash and of proceeds from liquidation of investments into inventory account more recently. In some instances companies showing a betterment of net working capital through new financing; a subsequent lowering of net worth; and a tendency of increasing funded liabilities.

The upward surge of Canadian business—in war and postwar—has left some business houses in the position of dependence on steady and constant turnover of inventory to meet current obligations. But the great majority of firms are maintaining a sound current position with ample cash, investments and accounts receivable to cover current liabilities.

Lower Cash Balances

A noticeable Dominion-wide change in industry balance sheet items has been the heavy liquidation of Government bonds in the past 12 to 24 months, and in some cases the lowering of cash balances and growth of receivables. This situation, it is felt, has been occasioned by, expansion and improvement programs, normal return to peacetime credit buying and by higher postwar operating costs.

The comparative table, as prepared by The Financial Post, lists a selected group of companies operating in 11 fields of Canadian industry.

A survey of the principal rubber companies illustrates the group providing ample coverage of current debt by cash investments and receivables.

Milling, bread and biscuit field shows current liabilities, for the most part, exceeding the combined quick assets of cash, investments and receivables, but this might be regarded a normal situation as in this line a sizeable portion of inventory would be moving daily.

Brewing and distilling group reflects a high liquidity picture and the building materials and paint groups suggest a healthy picture.

In the paper and lumber fields marked activity has brought increasingly heavier current indebtedness and a smaller margin of coverage for current liabilities than in prewar years.

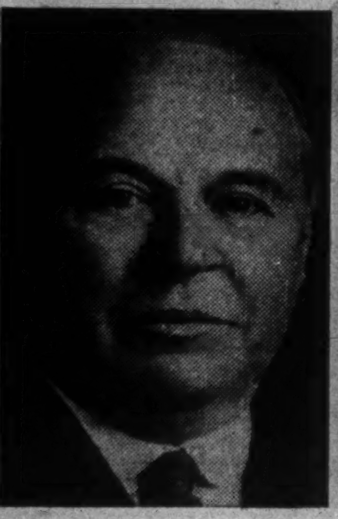
Silk and cotton mills, restricted somewhat by availability of raw materials, have disclosed substantial cash resources and investments. Some of the prefabricators in the iron and steel industry have considerable working assets tied up in uncompleted contracts and unfinished merchandise and naturally a smaller proportion of working capital is indicated by combined items of cash, investments and receivables.

The growth in current indebtedness is unusually pronounced **in the packing industry** and current liabilities, in the majority of cases, outweighs quick assets. However, selling on a short-term basis and in a processing industry, fairly substantial inventories are a normal condition.

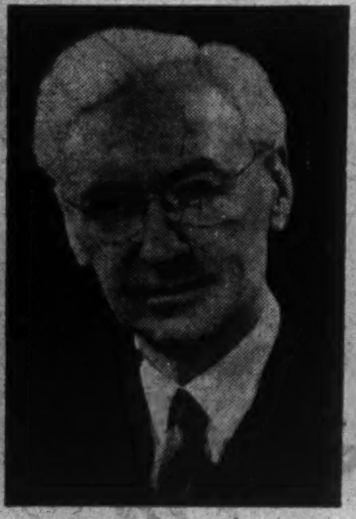
Retail trade, where dealings are primarily on a cash-and-carry basis, has disclosed a strong liquidity.

Company	— 1947 — Curr. liab.	Cash-Invest-Rec.	— 1939 — Curr. liab.	Cash-Invest.-Rec.
Public Utilities				
Bell Telephone	20,766,321	15,490,525	22,168,400	20,013,193
Consumers' Gas	5,264,066	3,842,576	1,065,717	3,329,396
Southern Canada P. ...	1,237,565	2,941,521	692,563	3,572,821
Rubber				
Seiberling Rubber	673,871	952,865	942,798	333,550
Goodyear Tire	5,030,614	6,624,588	1,132,302	5,256,893
Dunlop	1,245,162	1,348,271	369,490	891,407
Mill and Baking				
Canada Bread	799,316	761,460	462,799	638,287
Canadian Bakeries	399,678	377,557	90,070	347,927
Federal Grain	3,136,576	2,046,540	399,485	943,030
International Milling ..	16,620,346	22,106,454	3,613,906	4,965,582
Geo. Weston	4,501,166	3,806,302	1,513,050	1,463,056
Beverages				
T. G. Bright	885,628	706,287	225,430	304,757
Can. Breweries	7,047,152	8,750,297	980,411	1,549,605
Can. Ind. Alc.	1,972,607	8,599,370	994,004	1,537,749
Coast Breweries	649,066	1,638,314	207,104	314,965
Orange Crush	1,744,281	646,712	54,063	121,346
United Distillers	3,286,597	4,905,238	337,297	138,866
Distillers-Corp	52,105,875	81,935,312	7,876,986	10,503,641
Construction				
Building Products	1,824,195	3,157,041	290,764	1,698,286
Canada Cement	3,149,621	2,646,086	1,078,020	2,886,633
Imperial Varnish	301,194	438,718	*146,765	336,350
Murphy Paint	757,865	816,966	*189,038	300,796
Sherwin-Williams	6,792,220	4,064,227	610,599	2,266,537
Cooksville Co.	436,813	824,714	34,118	170,368
Paper				
Price Bros.	7,941,208	7,082,961	4,743,253	6,285,889
Dryden Paper	770,343	600,109	84,789	196,984
Hinde & Dauch	805,656	1,659,728	157,311	688,393
Fraser Co's.	5,854,181	5,791,201	2,510,801	2,600,855
Donnacona Paper	2,809,820	1,379,634	981,054	1,064,660
Provincial Paper	1,473,907	1,597,528	460,809	2,035,920
Lumber				
B. C. Forest	3,955,944	2,607,129	....	....
H. R. MacMillan	7,219,628	8,958,236	....	....
Can. Western	5,294,695	4,403,740	702,871	1,310,919
Textiles				
Cosmos Imperial	107,902	918,147	87,753	692,728
Belding-Corticelli	549,998	968,569	232,072	910,945
Bruck Silk	1,254,987	462,071	242,420	185,083
Can. Converters'	551,608	741,782	60,956	180,531
Dom. Textile	3,156,752	11,927,424	874,703	5,381,138
Montreal Cottons	763,684	3,717,241	805,795	1,308,288
Iron and Steel				
Algoma Steel	4,549,156	7,846,233	1,283,728	5,642,938
Can. Car & Foundry ..	15,275,480	5,558,419	3,317,424	1,373,166
Cockshutt Plow	5,893,255	1,741,959	2,538,532	3,375,077
Dom. Bridge	7,790,207	13,513,879	1,567,462	6,518,699
Dom. Found. & Steel ..	2,843,284	3,901,251	1,258,176	1,996,061
National Steel Car	2,573,633	7,641,739	1,180,817	2,715,747
Can. Westinghouse	10,734,093	12,178,881	1,788,615	7,298,281
Packers				
B. C. Packers	5,197,078	3,393,457	551,394	445,655
Canada Packers	17,101,022	12,412,329	5,436,978	3,848,918
Essex Packers	107,372	213,341	....	....
Retail				
Loblaw Groc.	2,770,235	1,756,517	1,578,430	2,443,265
Laura Secord	76,427	1,599,227	59,169	1,702,267
Agnew-Surpass	1,107,486	308,210	263,681	256,253
Cunningham Drug	508,504	125,494	....	....
G. Tamblyn	887,090	718,813	348,439	276,853

* 1940.



John W. Hobbs, Toronto, former Londoner and vice-president of The Canada Trust Co., has been elected vice-president of The Huron & Erie Mortgage Corporation to fill the vacancy occasioned by the death of R. H. Cronyn. Mr. Hobbs is president of Continental Life Insurance Co., Dominion Woolens and Worsteds Ltd., and Consolidated Glass Co. of Canada Ltd. He is a director of numerous other companies, including the C.P.R., Imperial Bank of Canada and Consolidated Mining & Smelting Co. of Canada Ltd.



The Canada Trust Company announces the appointment of Hon. John Hart, Victoria, B.C., as a director and also as a member of the Board at Victoria. In December last, Mr. Hart retired as Premier of British Columbia, after holding office for six years, and for over twenty years was Provincial Treasurer for British Columbia, giving him a long record of public service. He is a director of the Canadian Bank of Commerce, and president of the Pacific Great Eastern Railway.

V. P. Cronyn, of Cronyn, Pocock and Robinson, insurance brokers, London, Ontario, has been elected a director of The Huron & Erie Mortgage Corporation and of The Canada Trust Company to fill the vacancy resulting from the death of his brother, Richard H. Cronyn. A veteran of World War I, he returned to active service in the R.C.A.F. in October, 1940, and at the close of the War, as Group Captain, was commanding officer of No. 3 Advanced Ground Training School at Three Rivers, P.Q.

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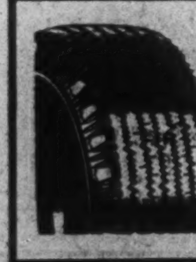
"ARMORIZED" RUBBER
All the resilience of live rubber processed and toughened for maximum resistance to shocks, cuts, bruises and wear.

"CableCord"
Thousands of individual high tensile cords welded together to give the tire maximum strength and flexibility.



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As Dunlop pioneered with the luxurious seating comfort of "Dunlopillo" Cushioning, so Dunlop leads again with the gliding, "Pillo-Like" comfort of Dunlop "CushionRide" Tires.
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COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

HOYLE MINING CO. realized an operating profit of $35,595 from operation of its mine in 1947 but this only defrayed part of widespread expenses. A net loss of $157,609 was reported after $148,469 of deferred development and depreciation expense written off.

While an excess of current liabilities over current assets of $237,211 is given for the end of 1947 below, the company reports working capital of $722,262, taking securities at market value and making allowance for $14,301 mortgages payable. A secured bank loan of $211,243 was outstanding at year end.

At Dec. 31 there were 1,793,491 common and 272,058 preferred shares outstanding. Preferred shares are in arrears of their 5c a share dividend from Sept. 1, 1946.

Besides maintaining its operation at Porcupine during the year, the company investigated a number of gold and base metal properties and participated in financing of Kelwren Gold Mines and other associated companies.

Shareholders at end of 1947 included: Falconbridge Nickel, 26,400; Kelwren, 525,374; Thompson-Lundmark, 775,696; Northern Lead-Zinc, 491,436; Ontario Pyrites, 1,116,006; Opemiska Copper, 2,743,642; South Porcupine Mines, 1,273,753; Mosher, 287,884; Wekusko Cons., 87,000; Steep Rock, 13,500; Springer Sturgeon, 13,772; Garrison Creek, 680,612; Ghostmount, 403,213; Dunmar, 535,408; Marchaud, 521,423.

INCOME ACCOUNT

	12 mos. ended Dec. 31 1947	5 mos. ended Dec. 31 1946
Production	$324,890	$99,807
Less: Oper. exp.	289,295	97,738
Oper. profit	35,595	2,069
Less: Admin. exp. ...	37,425	9,160
Deprec.	41,708	16,820
Def. dev. w/o	106,761	44,484
Out. prop. w/o	28,948	......
Adv. to assoc. w/o .	13,484	......
Loss on asset sale ..	41	162,911
Add: Other inc.	35,163	4,168
Net loss & deficit	157,609	227,138

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Bullion	$20,683	$10,079
Accts., etc., rec.	18,873	20,218
Supplies	59,482	58,813
Total curr. assets ..	99,038	89,110
Invests. & adv.:		
Subsids.†	515,615	508,220
Assoc. & oth.‡	1,641,874	1,741,722
Less: Bk. val. adj...	673,215	903,841
Bonds on dep.	4,000	6,895
Misc. assets	10,789	11,626
Deferred dev.▲	310,973	417,734
Outside expend.	46,632	195,270
Mining prop.	399,268	399,266
Bldgs. & equip.*	315,430	341,175
Total assets	2,670,402	2,807,177
Bank overdraft	211,243	222,076
Other curr. liabs.	125,006	148,243
Total curr. liabs. ...	336,249	370,319
Mtges. pay.	14,301	......
Capital stock	3,859,036	3,818,434
Less: Deficit	1,539,184	1,381,576
*After depr. of	256,470	216,246
†Mkt. value	602,195	794,249
‡Mkt. value	912,360	1,472,879
▲Less w/o	400,768	294,007
Excess of curr. assets over curr liabs.	237,211	281,209

OPERATING STATISTICS

	1947	1946
Tons milled	103,026	♦36,089
Average recov.	$3.15	$2.77
Ore reserves, tons ...	1,071,974	‡1,175,000
Grade ($35 gold) ...	$3.68	$3.68

♦For 5 months ended Dec. 31, 1946.

‡As an alternative, by reducing grade, might be shown as 2,071,404 tons of $3.12 grade.

LOUVICOURT GOLDFIELD CORP. bullion output amounted to $57,316 from 11,470 tons of ore treated and average recovery of $5 per ton in May, exceeding April production by some $3,500. The mine delivered 14,206 tons of ore during May, a new record.

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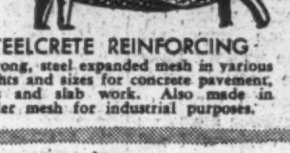
FOR GENERAL BUILDING, ROOFING, DRAINAGE and ROAD CONSTRUCTION

METAL LATH
A fireproof reinforcement for plastered walls, ceilings and exterior stucco. Saves materials and labor . . . reduces construction costs.

CORNER BEAD
Used in conjunction with Metal Lath, Pedlar's Corner Bead insures perfect corners. Made in various types.



STEELCRETE REINFORCING
A strong, steel expanded mesh in various weights and sizes for concrete pavement, curbs and slab work. Also made in smaller mesh for industrial purposes.

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Standard Round for general drainage . . . Arch-Abutment for bridging small streams and Asbestos Bonded Paved Invert Culverts, for Roads and Sewers.

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Pedlar's newest rib roofing for barns, arenas, factories, warehouses, etc. Comes in standard lengths of 5, 6, 7, 8, 9 and 10 ft. Covering width 32 inches.

BARN & STABLE EQUIPMENT
A complete line including Stalls, Stanchions, Hay and Litter Carriers, Water Bowls, Mangers, Pens, also a full range of Horse Stable Equipment.

PEDLAR'S METAL BUILT PRODUCTS

In addition to these products, we manufacture Manway Ladder Landings for mines; Steel Storage Bins for automotive parts; Steel Shelving; Eave Trough and Pipe. We will be pleased to quote on special stampings work to customers' specifications. Your inquiries regarding availability of materials and delivery, will bring a prompt reply.

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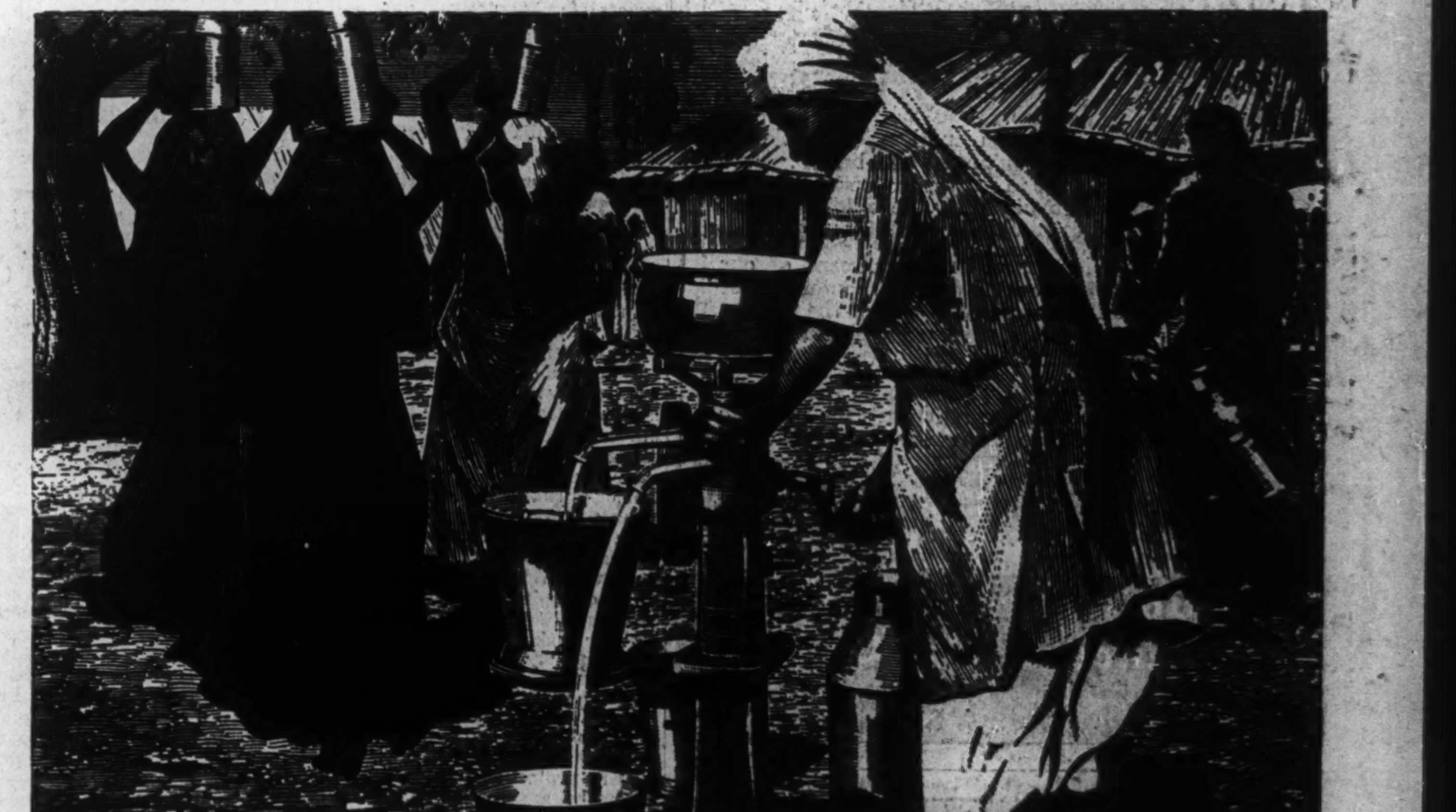
CENTRAL SUDBURY LEAD-ZINC MINES has been conducting preliminary prospecting on section of property lying between Burton shaft and the narrows at east end of Sakatawichta Lake, Ont. Two finds have been reported, one being traced for length of 200 ft. averaging 7 ft. wide and the other zone located 200 ft. east of Burton shaft. Testing the first zone by a series of 10, 100-ft. holes, has been recommended.



More cash in Canadian pay envelopes

Because through exports, Massey-Harris spent in Canada, in 1947, $21,000,000 more than its sales in Canada of Canadian-made machines.

YES, more cash in Canadian pay envelopes—for in addition to the employment resulting from its extensive business in its home market—Massey-Harris exports to 71 other countries enabled the Company in 1947 to spend in Canada $21,000,000 more than its total sales in Canada of its Canadian-made machines. Massey-Harris purchases put more cash in the pay envelopes of those who supply steel, iron, lumber, paint, canvas, tires, batteries, etc.

In some countries, Massey-Harris machines are used quite differently than here in Canada. In India, for example, it is common for an enterprising villager to buy a Massey-Harris cream separator and set himself up in business as the "community milk skimmer" at so much a quart. But whatever the difference in customs and conditions, the food producers of European, Asiatic, African, North and South American and South Pacific countries are using more and more Canadian-made Massey-Harris machines to meet the demands of a hungry world.

Through the development of a world-wide market for its own products, Massey-Harris has created a greater outlet for the products of Canadian mines, forests and factories. More cash in Canadian pay envelopes are the best possible assurance of steady work, year in and year out.

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Insurance Based on 1939 Costs Won't Cover Today's Fire Losses

On what basis should fire insurance be paid when a fire occurs? What is meant by co-insurance? These and other matters were discussed by R. Leopold Jones, Research Officer of the Canadian Underwriters' Association at the annual meeting of the Canadian Manufacturers' Association recently. Here is a digest of his address.

On what factors is fire insurance indemnity based?

The ordinary fire policy is based on the idea of indemnifying the insured for the material value of the property destroyed — legally known as the doctrine of indemnity or the doctrine based on the endeavor to put the insured in the same position as he would have been had the property not been destroyed. This embodies a number of other factors which have to be taken into account in putting the doctrine into practice, such as material value, depreciation, etc. One important thing is that on the present basis of values everyone should revise his property values in terms of today's prices. Insurance based on yesterday's (1939) costs will not cover today's values. But one can't expect to pay a premium for insurance on one basis and collect for loss on another.

On what basis is the "material value" sometimes called the "sound value" or actual cash value to be calculated?

While there is no royal road to a solution, certain things we have definitely established by common law and practice. One principle is that the value is that at the time of the loss, unless otherwise specified in the policy, and not the value at the time the insurance was placed or at any other time. Another point is that in arriving at the value for indemnity it is the "value to the insured" and not necessarily the selling price or cost price. In this value to the insured, possible profits due to earning capacity of property or goods are not included. This latter is called a consequential loss and is insurable under Use and Occupancy, Profits, Rents, Leasehold insurance, policies, etc. Neither is sentimental value to be included.

What is included in the term "buildings" in fire insurance?

Buildings, by definition, usually include all fixtures that would pass with the realty (often called landlord's or realty fixtures). If the building is in use and not of the white elephant type, the actual cash value is usually considered equal to the cost of replacement with the same or similar material as at today (uninsured portions such as foundations which are sometimes excluded are not included).

By today is meant "at the time of the fire." From this, is deducted a certain percentage for depreciation. The ordinary policy does not contemplate giving a new building for an old one. Normally the ascertainment of the cost of replacement of a building at the time of the fire could not present a very difficult problem. The real difficulty arises regarding depreciation.

On what does depreciation depend?

It depends on a number of things such as the age of the building and its upkeep. The question of depreciation usually requires some compromise. The owner's book values are seldom of much use as it is customary for the write-off to be greater than the actual physical depreciation and the write-off percentage is usually based on cost price whereas it is today's price which governs.

What is the situation as regards foundations?

Foundations are sometimes excluded from a policy, especially where there is a co-insurance clause. I think this exclusion is a mistake in most cases. There is no recognized definition as to what constitutes foundations and the portion of the building below the grade is often the most damageable portion. (Below grade property would include waterpipes, sewers, etc.) If getting an appraisal on your building it would be wise to check as regards what is meant by foundations as appraisers sometimes exclude foundations below the grade under a general heading of uninsurable property.

How is insurance of machinery and equipment valued?

The principles used in "building insurance" are also applied to the valuation of the machinery. But here the depreciation factor is probably more difficult, as it varies tremendously with the type of machinery and obsolescence is an additional factor. Patterns are particularly difficult in this connection. Stock is usually the only other item to be considered in connection with industrial or commercial risks. Applying the same test of putting the insured in the same position as he would have been had there been no fire, the insurance on the stock is usually adjusted on the cost to the insured of replacing it, without the inclusion of any possible profit he may make from its sale.

Is there any special way of dealing with replacement costs?

Yes. This item has become so important in recent years that buildings under recognized public fire protection, can be insured under a special replacement cost policy. Under this plan, the loss is adjusted on the replacement cost without any deduction for depreciation. Machinery and equipment can in some limited cases also be included. This method of insuring is especially valuable where the owner can't or doesn't want to put more capital into his venture to make good the depreciation factor.

For example, trustees administering an estate often want to maintain a steady return to the beneficiaries, which return might be considerably reduced if more capital had to be obtained. Dwellings, churches and all public buildings can be insured on the replacement basis.

What is meant by co-insurance?

A co-insurance clause says that in return for a reduced premium rate, the insured agrees to keep his property insured up to a stated percentage, say 80% or 90% of the total value.

If this condition is complied with all losses are paid in full up to the face value of the insurance. The co-insurance clause does not affect the loss in any way. But if the required volume of insurance has not been maintained, the amount of loss payable is reduced proportionately. For example if a building is valued at $10,000 under the 80% co-insurance clause, insurance must be maintained for $8,000. It need not all be in one company but the aggregate must equal $8,000. If a loss occurs and there is only $7,000 insurance, the insurance companies pay only ⅞ of the loss. If the loss equals or exceeds the percentage of value stipulated in the co-insurance clause the owner collects up to the face value of the insurance.

What is the intention of the co-insurance clause?

It is to discriminate fairly in the premium charged one insured as against another. When a property-owner says to an insurance company, "I will say how much insurance I want and you quote me a rate," the company says: "Well, what proportion of the total value does your suggested amount represent? If it represents say 10%, you would naturally expect to get a lower rate if you made it 20%, and a still lower rate if you made it 80%." The rates quoted for each precentage must of course be relative to one another, and there must be a starting point. This starting point could either be for 10% insurance to value, or 50% or 80% or any other figure. The point is that the relative rates must all be based on some fixed proportion to value. For many years on this Continent that base has been 80% insurance to value. From this basis, theoretically, calculations could be made for other percentage, but it will readily be seen that, in practice this would lead to endless confusion and would result in more dissatisfaction and under-insurance, to say nothing of technical complications in the rating departments. The 80% basis was selected because it gave a 20% margin to the owner over full insurance to value.

In all risks (except fireproof and sprinklered) a rate without co-insurance can usually be obtained. This rate is based on the rough-and-ready assumption that the average insured will, if his building is of the ordinary type with wooden floors and similar interior construction, insure it for at least 50% of its value, and by and large it has worked fairly satisfactorily. In the case of fireproof and sprinklered risks, however, the assumption that the insured would on the average maintain insurance to 50% of the value, would be quite erroneous. There would be those who only wanted a nominal amount of insurance, and the more prudent who wanted full insurance. In fairness to all concerned, therefore, all rates in these classes must be based on a known and agreed proportion of insurance to value, which is of course the co-insurance rate.

A. E. PEQUEGNAT

has been appointed general manager of the Mutual Life Assurance Co. of Canada.

Why don't the insurance companies value the property they are asked to insure?

It would send up the cost of insurance, if companies had to have trained appraisers going over every piece of property in Canada, and these figures would have to be kept up to date. Then there may be differences of opinion regarding property values and the first decision rests with the owner. In case of a loss he must of course satisfy the company that his valuation is reasonable.

Is the insurance business able to handle the amount of business offering; is fire insurance hard to obtain?

Any apparent lack of desire for business by the companies is due to sound business sense. Companies usually curtail writing insurance either because the rate is inadequate and/or their commitments are as heavy as their judgment permits. The doubling of values in the last 10 years was bound to cause troubles where underwriters were asked to take the same percentage of the total insurance on a risk as formerly. Moreover the over-all rate is too low. If the present property price level keeps up, the business will need more capital. The present is not a favorable time for raising capital because capital looks for a fair return and the companies generally today are running at a loss. It takes time and a measure of good fortune to build up an insurance business, and any returns to the investor are not likely to be immediate.

Why are conditions in the insurance business unsatisfactory?

The introduction of three-year policies on industrial concerns has been a material factor affecting both capacity and rate level.

The Canadian Manufacturers' Association must also bear a share of the blame for some of the unsatisfactory conditions. Some of your members have too often insisted that the stock insurance companies should meet the competition of co-operatives and mutuals operating on a non-profit basis. There is no other business subject to so many forms of competition, from local trade mutuals to the large American mutuals and now there is the threat of government schemes as in the western provinces. Members of the CMA and all others in business for profit should recognize that the attack on insurance is only the spearhead to be followed by extensions to other businesses, as in Saskatchewan.

Bill Aims To Broaden Insurance Investments

New Legislation Would Permit Investment of Three Per Cent of Assets in Securities Hitherto Unauthorized for Companies

Investment powers of insurance companies in Canada will be broadened somewhat if a bill now before the Senate at Ottawa is passed by parliament.

Under the proposed legislation, companies will be authorized to invest up to 3% of the book value of their total ledger assets in investments not previously eligible, provided these investments are not specifically prohibited in any other section of the act.

This "basket" clause will give the companies wider powers to invest in such securities as United States railway equipment trust certificates, revenue bonds such as those of the Port of New York Authority, no-par-value common stocks on which the dividends are less than $4 per annum, debentures of corporations which may not have paid dividends on their stocks for at least five years preceding. It is stated that the prohibitions regarding no-par-value common stocks and corporation debentures prevent companies investing in many sound, well-secured stocks and debentures.

The bill also authorizes the companies to invest in industrial and commercial real estate including factories, office buildings, apartments, etc.

These types of investment have been allowed for some time in the United States. Investments in commercial buildings have enabled the companies to buy or build industrial buildings and rent these out to industrial corporations on long-term leases, thus getting a better return than available from high-grade bonds. The power to invest in apartment houses has had a marked effect on house and apartment building to meet housing needs. The maximum of 3% of all ledger assets applies to the authorized total of these hitherto unauthorized investments.

Another clause also gives authority to invest in mortgage loans to a greater amount than that which the companies have hereto been permitted to loan (60% of the value), but only provided that the excess over the 60% is guaranteed or insured by the federal government or by some Canadian or American state. This clause enables the companies to participate in financing house building under Ontario's Housing Development Act.

The proposed legislation will also give the British and foreign companies in Canada the same investment powers in respect to their Canadian business, as those given the Canadian companies. Thus, subject to the approval of the Minister of Finance, British and foreign companies may include securities authorized in the new legislation in their deposits with the Recever-General, subject to the Minister's approval.

Consumers' Gas Sales Showing Upward Trend

Gross sales by Consumers' Gas Co of Toronto were up nearly 2% in May over May, 1947. For the eight months of the fiscal year which began Oct. 1, output was up 5.7% from the corresponding period of the previous year, and 68% from the same period of the fiscal year 1938-39.

Sales of appliances also have been increasing steadily, as supplies have become available. Increase to end of April was 17% to a total of $440,000.

IN MONTREAL

Men of affairs naturally stop at the WINDSOR because of its reputation for dignified comfort, unobtrusive, courteous service and its convenient location—and because the WINDSOR is recognized as the proper place for business and social meetings.

THE Windsor
ON DOMINION SQUARE
J. ALDERIC RAYMOND, PRESIDENT

Lumbermens
"THE SAFETY-MINDED COMPANY"
Agency Inquiries Invited

A stitch in time . . .

Good care will often lengthen the usable life of power plant equipment and boilers. Part of good care lies in regular inspection by men trained to recognize early the conditions that would lead to trouble.

Inspection is an accompaniment of our insurance. The Company's reputation for inspection effectiveness is one of the reasons why we write more power plant insurance than the combined total of twenty-five competitors.

Get insurance protection *plus* the benefits of inspection. It's a stitch in time that can save time, production, money and maybe lives!

Ask your broker or agent for details.

23-7

The Boiler Inspection and Insurance Co. of Canada

. . . THIS SECOND STOREY MAN!

The man jimmying the window is a hard worker. He gets around—often right in your own neighborhood. Maybe he's planning on calling on you tonight . . .

Secure against loss from theft. Get the protection of a Pearl Burglary Policy; its cost is surprisingly reasonable for the peace-of-mind you can have. Ask your own insurance agent about this Pearl Policy.

Business men should investigate Pearl Payroll, Safe or Hold-Up Policies.

PEARL

Head Office for Canada: Victory Bldg., TORONTO
W. C. Butler, Manager for Canada H. G. Flower, Asst. Mgr.

THE EUREKA SECURITY FIRE AND MARINE INSURANCE COMPANY

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Balanced Comfort
CONFORMS TO EVERY CONTOUR OF THE BODY
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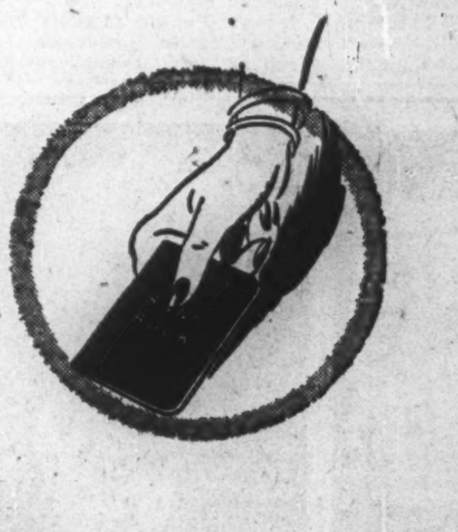
DUNLOP CANADA
Also makers of Auto, Truck, Bus, Agricultural, Aircraft, Motorcycle and Bicycle Tires; Industrial Rubber Products and Golf Balls.



The book you Never lend

To you, it tells the most interesting story in the world—especially if you are the saving kind.

You can translate it into many purposes: holidays to come; education for your children; things for the house; added security . . .

But you never let even your intimate friends see the contents. The information in your passbook is strictly between you and your bank. Your bank keeps it that way.

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THE WESTERN ASSURANCE COMPANY
Incorporated in Canada 1851
FIRE, MARINE, AUTOMOBILE, CASUALTY AND AVIATION INSURANCE

It Could Happen Here!

Forest fires in Maine in October 1947 destroyed

1125

houses and summer cottages with a loss estimated at

$10,000,000

Many summer residences are much under-insured or not covered at all. To owners of summer homes, we suggest checking the insurance in the light of present replacement values.

FINANCIAL POSITION DECEMBER 31, 1947
Assets $19,780,573
Liabilities to the Public $13,825,710
Capital $1,400,000
Surplus above Capital $4,554,863
Losses paid since organization $152,691,301

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Forgers and Cheque Raisers Busy As Income Tax Office Makes Refunds

If you're expecting a cheque through the mail, you had better make every effort to see that it doesn't fall into the wrong hands. Forgers and cheque raisers are busy these times and if they happen to get hold of your cheque, it may cause you a lot of delay and trouble before you get the matter straightened out and get your money.

The possibility of loss is greater for the apartment dweller, whose mail box may not be fully protected; but anyone may be a victim.

Prefer Government Cheques

While forgers and cheque-raisers apply their ingenuity to all kinds of cheques, they seem to prefer those sent out from government sources, bankers say. Cheques for refunds of income taxes, family allowances, etc., are especially favored by the crooks at present. But they also find it easy to commit frauds on veteran's gratuity and pension cheques, etc. Compulsory savings refund cheques were sent by registered mail which lessened the chance of the wrong person getting them. Bankers say, however, it is too early yet to say to what extent payee's names may have been forged or figures raised.

One reason there are so many frauds in connection with government cheques is that often the payee does not know they have been sent out and is not expecting them on a certain day. For example, you may have applied for an income tax refund or be expecting repayment of compulsory savings. You don't know just when the cheque will come however.

Apartment Dwellers Vulnerable

Usually it is in a "window-type" envelope or in some other style of envelope which indicates clearly what it is. If you live in a boarding house or an apartment, it is easy for someone to steal it, and he may even be able to get a specimen of your signature. Then with false identification documents he cashes it at a bank or offers it in payment of a purchase at a retail store.

The person in whose favor the cheque was made does not know it was stolen, and it may be months before he writes to Ottawa wondering where his refund is. In the ordinary course, it may be many months or a year before the fraud is discovered in Ottawa. If the forgery is good, it might never be discovered until the person who should have got the money, complains.

Then, of course, there are the regular forgeries of payroll cheques, payments for goods delivered, etc.

Raising cheques is another common type of fraud at present. Some very ingenious cases of this have occurred, where the crook has stolen two cheques on similar paper, issued by the same source, whether the government or a private corporation. Then if the cheque has been protected by perforations, with a sharp knife he cuts a thin piece of paper off, including the stars and other distinguishing marks, and fits it on the other cheque to raise the amount. This has been done so well in some cases, that it has fooled even experts.

This is one reason why bank tellers are so cautious about cashing cheques for people they don't know. Everything may look all right but unless they watch every detail, they may cash a forged cheque or one on which the original amount has been increased substantially.

One banker stated that some of the work in raising cheques had been so clever, it had all the earmarks of having been done by a band of experts. These had left signs of moving right across the continent and four or five, suspects, believed to be of the same gang, have been caught recently.

A more common type of fraud is one in which a disgrunted employee gets a bundle of company cheques and signs the names of the regular signing officers. Sometimes a number of cheques are cashed before the fraud is discovered. There is also the danger of some guest or employee in the house getting the owner's signature and drawing cheques on his account, payable to himself or some nonexistent person.

Counterfeit Notes

A somewhat similar fraud is the passing of counterfeit notes. In recent months there has been no specially new developments in Canada, but post offices have been warned to be on their guard against new counterfeit $5 and $10 U. S. Federal Reserve notes with green or blue treasury seals. A new counterfeit $5 silver certificate is also said to be in circulation. Bankers, however, say few cases of these have come to notice. One reason, they believe, is that the amount of U. S. money in circulation in Canada has been small and recipients are likely to remember where any note they get, comes from. It is felt, however, that the risk of these notes being cashed in greater volume will increase as the tourist season nears its height.

Meantime, bankers ask the public to co-operate with tellers as much as possible in preventing frauds of all kinds, whether by forgery or counterfeit notes.

Big Automobile Accident Award Stirs Interest in Insurance

What will you do if someday you get a judgment against you for $88,575 for injuries sustained by other people in an automobile accident in which either you or your car, perhaps driven by somebody else, is involved.

That's what happened the other day to a Toronto housewife and a bank clerk, owner and driver respectively of an automobile which injured six people on the Queen Elizabeth Way.

On April 10, 1944, two of the six injured people were seated in their stalled automobile on the highway while the other four tried to push it. An auto owned by one party, driven by another, both of Toronto, struck the stalled car. Court awards of damages to the different victims were: John Bodnarchuk, $21,000; Charles Klimek, $25,000; "Nick" Romanowski, $28,000; Clifford Hancock, $14,000; Pauline Bodnarchuk, sister of John, $400 and Walter Sloan, $175.

Chief Justice McRuer in his judgment noted that John Bodnarchuk had had four years hospital treatment for a broken leg, other injuries and impaired hearing. Charles Klimek had two broken legs and was treated for gangrene infection; Clifford Hancock had a broken thigh, bone ground up causing difficult healing; "Nick" Romanowsky may have constant limitations in both knees, hands and feet.

The judgment recalls the Martin-Deutch case about four years ago when Martin, a skilled engineer, got judgment for $115,000, for injuries received in an accident, also on the Queen Elizabeth Way. Martin showed that his income had been around $18,000 in the last year he worked before the accident. The original award was $165,000 but this was later reduced to $115,000. In a later case a widow and two children were awarded $60,000 for the death of the husband and father.

As a result of the Martin case, many motorists increased their liability insurance limits. Standard limits are $5,000 for injury to one person, with $10,000 indemnity for any one accident and $1,000 for property damage. Most motorists consider these too low, that $20,000 and $40,000 are more reasonable for personal injury. Limits of $50,000 and $100,000 are not uncommon, with many motorists carrying $100,000 and $200,000.

There is no knowing what award may be made for personal injury (public liability), so much depends on the victim's earning ability, expectation of life, etc. Accordingly many people increase their public liability cover, especially as the cost over the standard limits is negligible.

For example on a 1948 Chevrolet sedan, one insurance man quotes $37 for standard limits: public liability $5,000 and $10,000 and property damage $1,000. For $1,000 P.D. and $50,000 and $100,000 P.L. the cost is $42.18. Even these in case of an award as in the Martin-Deutch case might prove inadequate.

EDWARD C. WOOD

has been appointed executive vice-president of Imperial Tobacco Co. of Canada.

Output Holds For Textiles Problems Loom

Aggregate output of Canadian textiles was well maintained during the first four months of 1948. While deliveries of woollens declined slightly shipments of worsteds increased, the Primary Textiles Institute reports. Production of cotton yarn and cloth about equalled last year's level. Shipments of woven rayon fabrics increased and yarn output was higher. The knitting industry maintained production, with a slight increase in full-fashioned hosiery supply.

In almost all sections of the industry, there is a good backlog of orders, the bulletin states. Demand for cotton goods exceeds supply, and there is a similar situation on worsteds with an urgent need for more quality rayons. Altogether, the industry is assured a high level of operations for some months. The industry, however, has its problems. While prices of Canadian-made textiles are low, relative to those of other countries, there is resistance at secondary and retail levels. Where supplies are available, the trade prefers the domestic product to imports, prices of which, in many cases, are out of reach. Restrictions on imports from the United States under quotas have stimulated demand for Canadian products.

Basic fact in the current market situation is the decline in the consumer's apparent purchasing power, arising from higher living costs. Needle trades manufacturers, who are in day-to-day contact with retailers, are not optimistic about fall business.

Staff Changes

The Bank of Montreal announces the following staff changes:

A. F. E. JARRETT, manager, King & Dufferin Sts., Toronto, to be an inspector with headquarters at head office.

G. GOODBODY, special representative at New York, to be assistant manager, Chicago.

A. W. JACK, manager, Powell River, to be manager, Duncan.

W. FORSYTH, accountant, Waterloo Place branch, London, Eng., to be assistant manager, that branch.

F. W. WARREN, inspector, head office, to be an assistant manager, Montreal.

R. L. W. SPINKS, accountant, Trail, B.C., to be manager, Powell River.

J. P. DRAKE, of head office, to be manager, Fourth Ave. & Wellington St., Verdun.

L. E. BALDWIN, accountant, Kitchener, to be assistant manager, Windsor, Ont.

W. H. COLLIE, manager, Royal York Hotel branch, Toronto, to be manager, Sun Life Bldg., Montreal.

C. R. M. ALLAN, assistant manager, Windsor, Ont., to be manager, Royal York Hotel branch, Toronto.

• • •

The Royal Bank of Canada announces the following staff changes:

C. W. P. JONES, supervisor's department, Toronto, to be manager, Eglinton & Dufferin, Toronto.

J. W. YOUNG, accountant, Minnedosa, Man., to be manager, Rapid City, Man.

R. G. DRAYSON, accountant, Chilliwack, B.C., to be manager, Brighouse, B.C.

W. S. MANNELL, to be assistant manager, Spadina & College, Toronto.

R. K. G. STURSBERG, accountant, Nassau, Bahamas, to be assistant manager, East End, Vancouver.

J. D. O. F. DORAY, Bathurst, N.B., to be accountant, St. Johns, Que.

A. A. S. FOSTER, supervisor's department, Toronto, to be accountant, London, Ont.

H. E. GROSE, Georgetown, Ont., to be accountant, Woodstock, Ont.

E. S. ORSER, Toronto, to be accountant, Avenue Road and Davenport, Toronto.

E. M. GOOD, Wiarton, Ont., retires.

• • •

The Bank of Nova Scotia announces the following staff changes:

N. R. CAMPBELL, to be manager, Edmonton, Alta.

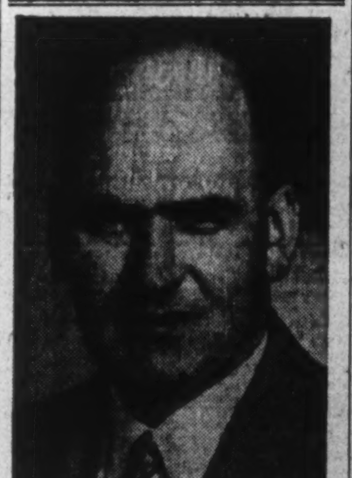
C. A. NEW, to be manager, Cornwall, Ont.

H. P. DESBOROUGH, to be acting manager, Trenton, N.S.

C. E. BARTLETT to be accountant, Bancroft, Ont.

L. T. DARLING, to be accountant, Sherbrooke & Harvard, Montreal.

W. R. GOUTHREAU, to be accountant, Pictou, N.S.



MR. N. R. CAMPBELL

who has been appointed Manager of the Edmonton Branch of The Bank of Nova Scotia, succeeding Mr. D. McCallum who is being granted extended leave of absence.

Mr. Campbell joined the staff of the Bank in 1922 at Vancouver. Following appointments at New Westminster and Victoria, B.C., he was made Assistant Manager at Edmonton in 1943 and Manager at Cornwall, Ont., Branch in 1945. During the past two years Mr. Campbell has been an Assistant Supervisor at the Bank's General Office in Toronto.

COMPANY REPORTS

SUPER - SERVICE STATIONS 1947 net profit was off 24.4%. Sales and net earnings showed a moderate improvement but substantially increased depreciation charges reduced the profit figure. During the year, $798,585 was spent on new properties and equipment, to extend and consolidate company facilities.

The $300,000 5½% preference shares were called and redeemed and a new issue of $500,000 4½% preference shares was sold at par.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Sales	$3,653,000	$3,415,500
Net earnings	472,306	454,054
Less: Depr.	263,988	163,405
Bond int.	34,800	30,453
Bad debts res.	1,139	5,412
Bond ref. exp.	......	20,045
Sundry debits	15,915	6,497
Income tax	60,154	100,856
Net profit	96,309	127,386
Less: Pref. divds.	20,040	16,500
Com. divds.	16,500	16,500
Surplus for year	59,769	94,386
Earnings per Share and Dividend Record:		
4½% preferred	$1.93	....
Paid	0.11¼	....
5½% preferred	‡	$42.46
Paid	4.80½	5.50
Common	25.42	36.96
Paid	5.50	5.50

‡Redeemed Sept. 15, 1947.

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$56,916	$609,614
Accts. rec.	265,216	214,204
Inventories	443,187	241,158
Total curr. assets	765,319	1,064,976
Misc. assets	59,025	53,239
Investments	135,323	137,206
Fixed assets*	1,893,917	1,276,357
Total assets	2,853,584	2,531,778
Total curr. liabs.	487,790	395,753
Funded debt	970,000	1,000,000
Capital stock	800,000	600,000
Capital surplus	4,895	4,895
Earned surplus	590,899	531,130
*After depr. of	1,050,142	823,537
Working capital	277,529	669,223

CHATEAU-GAI WINES net profit of $119,245 in year ended Apr. 30, 1948, was 15.4% greater than in previous year, and highest earnings in history of the company.

Principal changes in fixed assets cover expenditure of approximately $50,000 for modernization of equipment at main production plant at Niagara Falls. These improvements are designed to further increase operating efficiency. The plant, located in Toronto and representing last of surplus plants, was sold in past year for $67,500 and nonrecurring profit of $38,304 was excluded from net profits for fiscal year.

Modernization of retail outlets was continued during year with store at 940 St. Clair Ave. W., Toronto, renovated and plans laid to move retail outlet from 27 Brock Ave. to 1388 Queen St. W., Toronto. The store will be modernized.

CONS. INCOME & SURPLUS ACCOUNT

Years Ended Apr. 30:	1948	1947
Net earnings	$241,425	$235.535
Less: Deprec.	34,490	29,019
Income taxes	87,690	103,198
Net profit	119,245	103,318
Less: Dividends	68,400	79,800
Surplus for year	50,845	23,518
Earnings per Share and Dividend Record:		
Common	$1.05	$0.91
Paid	0.60	0.55+0.15

COND. CONS. BALANCE SHEET

As at Apr. 30:	1948	1947
Cash	$5,527	$4,780
Accts. rec.	123,657	166,460
Inventories	1,151,587	845,167
Total curr. assets	1,280,771	1,016,407
Misc. assets▲	80,694	85,252
Fixed assets*	423,131	423,419
Total assets	1,784,596	1,525,078
Demand loan	255,000	80,000
Accts., tax, etc., pay.	152,500	157,131
Total curr. liab.	407,500	237,131
Def. credit		7,306
Capital stock	1,071,327	1,071,327
Earned surplus▲	305,769	209,314
*After deprec. of	482,256	469,648
▲Incl. ref. EPT.	17,054	17,054
Working capital	873,271	779,276

BANK OF CANADA

Liabilities	June 9, 1948 $	June 2, 1948 $
Capital paid-up	5,000,000	5,000,000
Rest fund	10,050,367	10,050,367
Notes in circ.	1,199,194,259	1,197,510,083
Deposits: Dom.	154,584,633	136,745,589
Chart. banks	525,573,668	548,008,147
Other	100,517,838	87,411,219
Total deposits	780,676,139	772,164,955
Liabs. payable in sterling, U.S.A. and for'n. gold currencies: Deposits	183,591	183,591
All other liabs.	14,837,482	19,301,483
Total liabs.	2,009,941,838	2,004,210,479
Assets		
Sterling & for'n. exchange	183,591	183,591
Other currencies	83,645	86,236
Total	267,236	269,827
Subsid. coin.	187,055	189,747
Investments: Dom. govt. sh.	1,164,849,579	1,176,183,215
Oth. Dom. gov.	784,029,055	775,677,353
Total invest.	1,948,878,634	1,951,860,568
Ind. dev. bank Total share cap. at cost	25,000,000	25,000,000
Premises	2,411,507	2,411,230
All other assets	33,197,406	24,479,107
Total assets	2,009,941,838	2,004,210,479

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Full-color map folder, "The British Isles" will be sent you on request. Write Dept. X at the above address.

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JULY 29 - AUG. 14

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Available for deeds, bonds, jewellery, insurance policies, & other valuable papers

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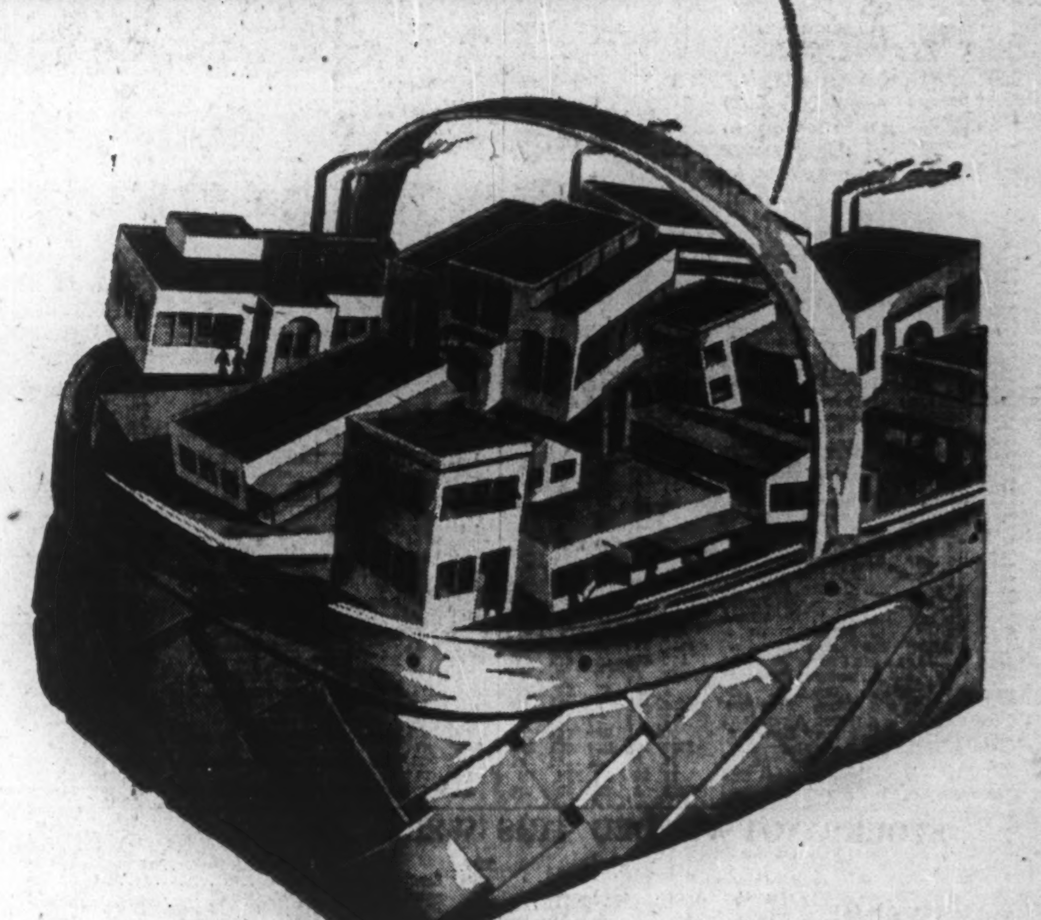
The important 4/5 of your Drink

CANADA DRY Sparkling WATER

THE ARISTOCRAT OF SODA WATERS

Little Business is Important, Too



This bank appreciates the importance of so-called "little business". Collectively they constitute the biggest of all businesses—the very backbone of Canada's economy. There are more than 250,000 of them, capitalized at from $5,000 to $50,000.

This Bank regards little business as exemplifying individual enterprise . . . the vision that sees a need and sets out to supply it . . . the self-confidence that originates new approaches to old problems . . . the sturdy independence which finds in plans for the betterment of goods and services the surest way to personal accomplishment—that type of individual success which spreads its benefits throughout entire communities.

The comprehensive plans of The Bank of Toronto are based on Bank Credit and friendly counsel designed to assist Canadians of enterprise and vision. We invite you to bring your problems and needs to us.

THE BANK OF TORONTO

Incorporated 1855

L. G. GILLETT, General Manager

THIS WEEK'S QUOTATIONS

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto Winnipeg, Calgary and Vancouver

WEEK ENDING JUNE 11

Range 1948 High	Low	Div R'te $	June 11 Y'ld %		Sales	Last June 4	Week end. June 11 H	L	Cl'se
28	21¾	.80	3.1	Weston George	495	26½	27	26	26
101¾	97	4.50	4.5	Do. 4½% pref.	60	100	100	99¾	100
7.00	7.00	.	...	Willson Stat.	57	6.50	7.00	7.00	7.00
100	90	5.00	5.6	Do. pref.	10	100	90	90	90
21	19	1.00	5.3	Wilsils	105	19	19	19	19
12	9	.	...	Windsor Hotel	46	10½	12	12	12
26½	20½	1.00	3.9	Winnipeg El. A	2115	25½	25¾	25½	25¾
100	95	5.00	5.2	Do. pref.	50	97½	98	97	97
8½	6½	•	...	York Knit. A n	50	7	7	7	7
4½	3½	.	...	Do. "B" n	75	3½	3½	3½	3½
45	34½	1.50	3.5	Zellers	70	44	44	43½	43½

†Paid or payable in 1948. ▪Paid in 1946.
xOn arrears. ‡Extras. ▲N. Y. funds.
♦Paid in 1947. §Net after income taxes.
•Dividend deferred ♦♦For each 20 shares held

Mining Stocks

Range 1948 High	Low	Div. Rate $	June 11 Yield %	Company	Sales	Last June 4	Week Ending June 11 High	Low	Close
.90	.60	.....	....	Akaitcho	1,000	.75	.75	.75	.75
.13	.03	.....	....	Alger	1,500	.03½	.04	.03½	.03½

Oil Stocks

.20	.15	†.1	....	Spooner	280	.17	.15	.15	.15
.10	.08	§.01½	....	Sunset	1,450	.08	.08½	.08	.08½
.34	.23		....	Superior	12,000	.28	.30	.28	.30
1.50	1.15		....	Texas Can.	80	1.40	1.50	1.50	1.50
.55	.30		....	Turner V.	45	.50	.45	.45	.45
.15½	.08		....	United Oils	3,000	.09½	.09	.09	.09
.19	.12		....	Vanalta	1,000	.15	.15½	.15½	.15½
.36	.20		....	Vulcan	515	.31	.30	.25	.30
.14	.05		....	Warner	10,900	.10	.14	.11½	.12

* N. Y. Funds. ‡ Extra.
‡ Paid in 1946. ‡ Capital Repayment. ♦ Dividend deferred.
§ Paid in 1947. † Paid or payable in 1948.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
June 14	177,500	729,000	111,643	99,809	2,210,000
June 12	....	....	....	....	....
June 11	223,900	942,000	129,486	101,623	1,930,000
June 10	230,900	713,000	83,701	53,865	2,090,000
June 9	277,600	845,000	75,100	64,400	2,333,000
June 8	147,300	665,000	84,035	59,564	1,900,000

STOCKS NOT TRADED THIS WEEK

	Div. rate $	Last sale	June 4 Bid	Ask
Paton Mfg Pfd.	1.40	28	26	..
Paul S.S.	.35	16½	16¾	17½
Penmans	3.00	65	60	73
Do. Pfd.	6.00	149	98½	..
People's Cr. S.	.25	5½	5½	6
Photo Eng.	1.50+†.75	28	28	28
Premier Trust	2.00	55	52	55
Price Bros. Pfd.	4.00	94½	94½	97
Purity Flour	.50	10½	9½	10
Quinte Milk 'A'	.60	9½	9	9½
Do. B	...	1.60	2.00	..
Rand S.S.	♦.22½	5½	5	5¾
Regent Knit	.50	26	27	30
Do. Pfd.	1.60	26	..	25¾
Reliance Grain	†.75	25	25	35
River S. Mill 'B'	2.00	15	12½	20

BUSINESS THIS WEEK

MERCHANDISING	MAY	APR.	MAR.	FEB.	Year Ago
▪Dept. store sales index no. (1)	....	278.9	275.6	195.1	232.8
▪Retail sales index (no.)	....	254.5	244.2	198.5	224.5
Wholesale sales index (no.)	....	....	283.6	240.0	236.7
FINANCE					
Dividend payment index (5)	196.9	195	194.5	193.4	161.1
Money supply (millions $)	....	....	7,025	7,467	7,[illegible]
NEWSPRINT CAPACITY					
Production ratio	....	102.3	99.1	99.1	101.9
Shipment ratio	....	101.1	97.3	95.5	102.8
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S.)	....	214.9	221.7	186.3	218.5
Cars (D.B.S.)	....	170.1	160.9	159.6	158.5
COST OF LIVING					
D.B.S.	153.3	151.6	150.8	150.1	133.1
EMPLOYMENT INDEX					
All industries	....	186.5	188.9	189.3	190.7
Manufacturing	....	201.8	202.6	200.7	195.2
Payrolls (June 1/41=150) (2)	....	184.7	188.8	185.4	163.9

	1948	1947	1948 Jan. 1 to date	1947 Jan. 1 to date	% Change
RAILWAYS—(000's omitted)					
▪Carloadings (week Jun 5) (6)	77.7	79.2	1,681.5	1,633.1	+2.9
C.N.R. gross rev. (April)	40,941	36,019	147,611	136,285	+8.3
C.N.R. net rev. (April)	4,165	3,777	5,710	9,255	—38.3
C.P.R. gross rev. (April)	27,520	26,247	105,079	97,585	+7.7
C.P.R. net rev. (April)	1,323	1,735	2,656	3,010	—11.7
IRON AND STEEL (000's omitted) (Mar.)					
Pig iron production (tons)	172.7	164.4	483.8	492.3	—1.7
Steel production (tons)	286.0	269.7	782.4	748.7	+4.1
CONSTRUCTION (000's omitted)					
▪Contracts awarded (May)	134,916	64,206	349,200	253,600	+37.7
▪Cement prod., bbls. (April)	1,038	933	4,156	3,395	+22.5
AGRICULTURE (000's omitted)					
Flour prod., bbls. (Apr.)	1,935	2,399	7,515	9,307	—19.3
Flour exp., bbls. (Apr.)	918	1,114	3,778	5,061	—25.7
Wheat exp., bush. (Apr.)	5,833	7,137	34,727	37,419	—7.1
▪Cattle sales (May) (4)	105.3	111.9	591.6	522.8	+13.1
▪Hog sales (May) (4)	403.7	486.3	2,432.8	1,933.3	+25.8
SEA FISHERIES (000,000 omitted)					
Catch, lb (April)	35.9	27.1	275.9	170.5	+61.8
Landed value $ (April)	2.4	1.7	8.0	5.3	+50.9
NEWSPRINT (000's omitted)					
Production (April)	386	369	1,490	1,453	+2.5
Exports, tons (April)	381	376	1,441	1,414	+1.9
MINING AND OILS (000's omitted)					
Coal prod. (tons) (Apr.)	1,580	851	5,752	4,665	+23.3
Gold prod. (fine oz.) (Mar.)	288	264	823	721	+14.1
Petroleum prod. (brl.) (Mar.)	816	602	2,374	1,734	+36.9
ELECTRICAL POWER OUTPUT (000,000's omitted) (April)					
▪Total monthly kw.h.	3,733	3,727	14,750	15,125	—2.5
FOREIGN TRADE (millions of $)					
▪Imports (April)	226.7	225.6	812.0	785.4	+3.4
Exports (April)	212.3	190.9	884.4	788.0	+12.2
FINANCE (millions of $)					
Bank debits (Apr.)	6,861	6,043	25,180	23,593	+6.7
Bond sales (Apr.)	196.2	566.3	1,838.0	2,138.7	—14.1
Life insurance sales (Apr.)	102.8	103.4	408.0	409.1	—0.3
OTHER INDUSTRIAL FACTORS (000,000's omitted)					
Shoe prod. (Mar.)	3,091	3,456	8,248	9,888	—16.6
Cigarette cons. (no.) (April)	1,331	1,178	5,120	4,848	+5.6

(1) Base period 1935-39=100. (4) Total at yards and plants.
(2) All industries. (5) Nesbitt, Thomson, etc.
▪ New items for week. (6) Incomplete.

Unlisted Stocks

(Compiled from quotations supplied by Intercity Securities Corp. Kamm, Garland & Co. and Kippen & Co.)

June 14, 1948

	Bid	Ask.
Allens Toronto units	40.00	....
Anglo Can. Telephone A	9.75	10.75
Do. pfd.	46.00	48.00
Beauharnois L. H. & Pwr.	18.25	19.00
Beauharnois Power	6.00	....
Brandram Henderson	13.50	15.50
British Mtge. & Trust	125.00	195.00
B. C. Sugar	88.00	91.00
Brockville Trust $50 par	60.00	....
Can. Inv. Fund	4.80	5.30
Can. Investors Corp.	7.00	7.75
Canadian Motor Lamp	12.50	14.00
Can. Silk Products	24.00	25.50
Can. West. Nat. Gas pfd.	18.25	19.75
Capital Wire Cloth com.	11.00	....
Do. pfd.	24.00	26.00
Cardy Corp. A	8.00	...
Chase, A. W. units	47.00	....
Colonial Steamships com.	94.00	98.00
Commercial Life 10% paid	8.00	...
Commonwealth Int. Corp.	3.75	4.09
Confed. Life 30% pd.	160.00	....
Continental Life 20% pd.	43.00	....
Cooksville A	11.00	12.00
Do. B	4.00	5.00
Corp. Investors	8.81	9.40
Cuban Can. Sugar com.	5.00	6.25
Detroit Internat. Bridge	12.00	14.00
Dover Industries Ltd.	10.50	11.50
Dunlop Tire pfd.	24.50	26.00
Dupuis Freres pfd.	24.75	25.75
Empire Life Ins. 25% pd.	17.00	19.00
Do. 20% paid	14.50	....
Foreign Power Co.	3.00	6.00
Foreign Power Sec. pfd.	4.00	6.00
Galt Brass com.	33.00	....
Goderich Elev. & Trans.	16.00	17.00
Great West Life	350.00	375.00
Guardian Realty pfd.	44.00	....
Guaranty Co. of N. Amer.	385.00	...
Guelph & Ont. Svgs. $50 p.	61.00	....
Gurney Foundry com.	40.00	....
Halifax Ins.	14.00	15.50
Hart Battery com.	7.50	8.50
Hartz, J. F. A	10.00	11.00
Imperial Life	335.00	380.00
Lambton Loan $50 par	82.00	86.00
Laprairie com.	5.00	7.00
Do. pfd.	95.00	....
Loblaw Groc. Inc.	19.00	20.00
Manufacturers Life Ins.	340.00	380.00
Maxson Food System	.50	....
Monarch Life 30% paid	93.00	....
Monarch Mtge. units	4.75	5.75
Mountainview Apts. pfd.	18.00	....
Nat. Drug & Chem. c. new	8.75	9.50
Do. pfd.	12.00	13.00
New Bruns. Telephone	13.00	13.75
Northern Tel. com.	2.00	2.75
Old Comrades Brewery	1.75	2.00
Ont. & Que. Ry. 6% cap stk	140.00	....
Peller Brewing com.	5.00	6.00
Do. pfd.	20.00	22.00
Prov. Bank of Canada	16.00	16.75
Prudential Trust	11.00	....
Quality Steels com.	.50	.75
Sawyer Massey com.	1.75	2.50
Seiberling Rubber com.	5.00	8.00
Sincennes McNaught. Tugs	2.50	...
Sherbrooke Trust	140.00	....
Sovereign Life 25% paid	35.00	40.00
Standard Fuel, pfd.	42.00	46.00
Do. com.	2.00	4.00
Sun Life Assce.	500.00	515.00
Third Can. Gen. Inv.	3.00	4.00
Toronto General Ins.	6.00	....
United Farmers Co-op.	2.50	....
United Steel A pfd.	24.50	26.00
Victoria Tr. & Savings	133.00	....
Waterloo Mfg. com.	5.00	6.50
Western Assur. com.	62.00	66.00
Western Grain com.	.75	1.25
Do. pfd.	21.50	..
York Trading com.	11.50	13.00

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 10	Pulp and paper 8	Milling 4	Oils 4	Textiles and clothing 9	Food and allied prod. 13	Beverages 8	Bldg. mater. 16	Power and traction 14	Banks 8	Total utilities 16	Total co's. 100
(Base 1935-39=100)												
*1935 to date:												
High	210.2	287.9	149.7	123.7	214.4	138.5	447.0	168.5	146.2	136.3	149.0	126.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	66.7	80.2	60.0	65.2	61.1
1948: Monthly Figures:												
Jan.	189.8	216.9	113.8	70.5	188.4	117.6	312.6	132.6	101.4	132.5	112.9	107.5
Feb.	179.7	242.7	105.5	65.8	185.3	111.8	294.1	122.5	95.2	129.7	110.1	102.2
Mar.	185.9	243.7	104.9	65.2	186.6	109.6	289.7	121.4	98.4	127.8	107.4	101.5
Apr.	209.1	256.5	109.5	70.1	197.3	115.2	312.6	132.0	102.5	127.7	116.5	108.1
1948: Weekly Figures:												
May 6	213.2	265.1	110.2	72.8	208.9	112.9	318.2	136.2	103.3	128.5	119.9	111.8
May 13	226.2	270.7	111.9	74.6	217.8	131.1	320.5	141.5	105.5	128.0	127.3	114.8
May 20	234.8	279.6	116.2	70.4	219.5	115.2	346.3	146.1	113.8	130.1	133.7	120.3
May 27	237.8	280.9	114.1	79.6	216.6	114.7	342.0	145.7	109.5	126.8	130.8	119.6
June 3	248.8	280.6	111.3	78.0	219.3	116.0	337.3	144.2	107.6	128.5	130.4	119.6
June 10	247.9	282.2	109.9	80.0	219.0	117.1	321.5	144.5	109.8	128.0	132.6	120.2

*High and low for year from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
June 14	192.86	61.34	36.04	71.08
June 12	.....	....	....	....
June 11	192.96	61.64	35.98	71.18
June 10	192.50	61.85	35.95	71.14
June 9	192.56	61.25	35.79	70.91
June 8	192.16	60.99	35.40	70.65
Month ago	190.44	62.27	35.89	70.81
Year ago	175.81	45.20	34.17	61.86
1948 High	192.96	62.27	36.04	71.18
1948 Low	165.39	48.13	31.65	59.89

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
June 14	189.40	86.42	102.13	44.56
June 12	.....	....	.....	.....
June 11	188.74	87.22	101.80	45.41
June 10	190.01	89.31	102.26	45.78
June 9	188.94	90.05	101.90	44.73
June 8	188.64	90.78	101.03	43.87
Month ago	182.07	91.49	98.49	41.33
Year ago	167.32	114.04	83.63	32.90
1948 High	191.44	104.68	103.56	46.11
1948 Low	149.13	86.42	77.87	28.68

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Comb.	10 Pprs.	15 Golds
June 14	77.7	134.7	115.7	379.46	61.27
June 12	...	....	....	....	....
June 11	77.7	134.5	115.6	381.19	61.42
June 10	77.1	134.8	115.6	383.10	63.67
June 9	76.6	133.2	114.1	377.61	64.38
June 8	76.0	133.2	114.1	377.61	64.32
Month ago	75.1	128.3	110.6	355.16	62.92
Year ago	77.5	121.3	106.7	321.99	77.27
1948 High	77.7	135.1	115.7	384.80	74.92
1948 Low	70.7	108.0	95.7	290.26	61.42

Stocks Not Traded This Week (Continued)

	Div. rate $	Last sale	June 4 Bid	Ask
Tamblyn Pfd.	2.00	48	47	48
Taylor Pearson	†.25	4¾	4¾	4½
Thayers	..	9	8¾	..
Do. Pfd.	†2.50	35½	36	45
Theatre Props.	..	5	5	6
Tip Top Can 'A'	.50	9	9	9½
Toronto Iron	.60+†.15	9½	9½	10
Trad Fin. 'A'	1.00+†.25	45	46½	50
Do. 4½% Pfd.	4.50	96	..	98
Do. 'A' rights	1.00	22	21	..
Do. 'B' rights	1.00	21½	..	21
Twin City	..	8½	8½	9
Un. Amus. 'B'	♦1.50	32	36	38
Do. VT 'A'	..	34	36	38
Unit. Corp 'A'	1.50	29½	29½	31
Viceroy	†.24	10	10	10½
Vir. Dare 5% Pf.	1.25	22½	..	22½
Waterous Ltd.	.80	12½	12½	13
West Koot Pf.	7.00	173	168	..
West Brew.	1.60	19¾	19	20
West Grain Pfd.	..	34½	22	..
West Grocers	..	24	22½	24
Do. Pfd.	1.40	30½	..	30
Wd. A. & JP	7.00+†1.75	118	118	120
Woods Mfg Pf.	2.00	38¾	35	42½
Wool. Combing	1.00	20	21	21½
Zellers 5% Pfd.	1.25	27	27	..
Do. 6% Pfd.	1.50	28	28	28

▪Paid in 1946. ‡Extra. xOn arrears.
†Paid or payable in 1948. ▲N.Y. funds.
♦Paid in 1947. §Net after income taxes.
♦♦For each 20 shs. held. *Dividend deferred.

Mining Stocks

	Div.	Last sale	Bid	Ask
Alta.	...	.05	..	.05
Amer. Neph.	...	.31	.27	.34
Ansley	...	.04	.04½	.05
Aquarius	...	.09½	.08¾	.09¾
Bankfield	...	.06½	.05½	.06
Bayonne	...	.03	.04½	.05½
Beaucourt	...	.12	..	.12
Belleterre	.20	6.75	6.50	7.50
Berens River	...	.36	.32	.40
Bonetal Gold	...	.15	.15	.18
Bonville	...	.03	.03½	.05
Bouscadillac G. M.	...	.03½	.03½	..
Bouzan	...	.04	.03½	.06
Brazil Gold	...	.02	.02	.03
Bridge River	...	.03	.03	..
B.R.X. Can.	...	.04½	.05	.07
Bulolo Gold	...	16.50	15.50	18.37½
Bunker Hill	...	.05½	.05½	.05
Celta Devel.	...	.06	..	..
Coast Copper	...	1.25	1.00	1.82
Coin Lake	...	.17	.22	.25
Cryderman	...	.01	.00½	.01
Cuyuni	...	.15	..	..
Dickstone L.	...	.04	.03	.04
East Amph.	...	.07½	.07½	.08
Fontana '45	...	.05	.03	.05
Forty-Four	...	.55	.60	..
George Copper	...	.12	.10	.13
Golconda	...	.08	.08	..
Gold Lake	...	.01½	.01½	.03
Gold Pan	...	.18½	..	..
Goodfish	...	.03	.03	.04
Graham B.	...	.13	.11½	.14
Great Falls M.	...	.00½	.02	.03
Grull Wihksne	...	.04	.03½	.06
Homer Y'fe.	...	.05¾	.05½	.05½
Hoyle	...	.30	.28½	.30
Hudson R.	...	.07	.06	.07
Hugh Mal.	...	.03	.02½	.03
Int. Mining	...	4.75	..	..
Island Lake	...	.00½	.00½	.02
Kerr Lake	§.05	.50	.50	.95
Kirk. Town	...	.16	.14	.16
Kootenay Belle	...	.09	.08	.10
Lapa Cadillac	...	.05	.04½	.06
Lapaska	...	.05½	.05	.05½
Lexindin	...	.08½	.08½	.09
Ling Key	...	.08½	..	..
Lunward	...	.14	.15½	.18
Maralgo	...	.03½	.03½	.05½
McFinley R. L.	...	.24	..	..
McGillivray C.	...	.12	..	.12
McLellan Gold	...	.02½	.02	.03½
Mentor Exploration	...	1.00	.30	.70
New Bidl'e	...	.04	.04	.05
N. Louvre	...	.05	.02	.10
Newnorth	...	.03½	.03½	.04
Normandy	...	.04	..	.04
Norsemen	...	.05	.05	.06
North. Empire	‡.10	1.50	1.55	..
Northland	...	.04	.03½	.03½
O'Leary	...	.14½	.11	.14
Orenada	...	.08	.08	.09½
Pacific East	...	.08	.05	.09
Packsack	...	.02	.02	.04
Parbec	...	.03½	.03	.04
Partanen Mal.	...	.02	.02	.03
Payuke	...	.24	..	..
Pitt G.	...	.07	.05	..
Powell Rouyn	...	.70	.65	.88
Premier Border	...	.04	.03½	.04
Prospectors Air's	...	.35	.30	.45
Quatsino	...	.05½	.05	..
Red Cloud	...	.01½	.00½	.02
Red Hawk	...	.02	.02	.03
Renabie	...	2.50	2.37	2.75
Roche Long Lac	...	.04½	.04½	.06½
Scotia Gold	...	.01	..	..
Soma Duv.	...	.10	..	.10
S. American G.	§*.20	1.10	..	..
Standard G.	...	.09	.09	..
Star Lake	...	.00½	.00½	.00½
Sudbury Contact	...	.04	.03½	.05
Sunloch	...	.10	..	..
Taku	...	.40	.35½	.42
Tiblemont	...	.10	..	.20
Utica	...	.16	.14	.13
Vicour	...	.10	.07½	.10
Villbona	...	.03	.03	.04
Wellington	...	.03	.02	.03½
West Mal.	...	.07	.07	.08
Winnipeg R. Tin	...	.01	.01	.01½
H. G. Young	...	.25	..	..
Yukon Cons.	...	.70	..	.87

OIL STOCKS

	Div.	Last sale	Bid	Ask
Acme Gas & Oil	...	.06	.06	.08
Admiral	...	.05	.05½	.05½
Advance	...	.03	..	..
Arrow	...	.10	..	..
Lowery	...	.46	.46	..
Marvel	...	.02	.01½	.03
Merland	...	.04	..	..
Mill City	...	.11½	.10	.10½
New Valley	...	.03½	..	..
Petrol Oil	...	.12	.12	.25
Richland	...	.04	..	..
Royal Crest	...	.01	..	.05
Three Point	...	.05	.05	..
Vul. Brown	...	.14	..	..
Wellington	...	.06½	.05	.06
York Oils	...	.05½	.06	.07

Unlisted Mines

(Subject to Confirmation and Change)
May 31, 1948

	Bid	Ask		Bid	Ask
Abacus	—	45	Dorion	2	3
Abendakis	2½	3½	Doris Yell	1½	3
Abino	5	8	Dorlera	—	8
Abound	—	10	Double St	—	5
Ace Yell	1	2	Dougall	—	20
Adanac	—	3	Dougron	—	25
Addington	—	4	D'cliffe	—	15
Adele	—	10	Dr'maque	—	8
Adian	—	20	Dubis G	—	15
Admiral	—	30	Ducore	—	25
Adnason	3	4	Dukel	—	5
Ad R L	3	4	Dul R L	—	4
Aero P S	—	900	Dumar	—	8
Aigue	—	25	Dumico	4	7
Aiken R L	5	12	Dunf'd Rou	5	8
Alad Gr	—	10	Duomal	2	10
Albany o	7	—	Duport	—	12
Albany n	18	—	Durex	—	30
Alcan Yel	2	4	Duroc	—	30
Aldermac	1	1½	Durham	9	12
Alex R L	3	5	Dyke Lake	—	35
Aljo	1	3	Eastc't	—	15
All Pete	22	24	East Lun	—	15
Allore	—	30	Eastw'd	25	—
Altura	—	5	Echo Indin	3	8
Alpha L	—	4	Edena	40	—
Alwyn	—	30	Edgewater	—	12
Amal Gold	—	18	Edwaska	1	2
Amal Kirk	7	8	El-Bonan	—	5
Amber M	—	5	Elderidge	8	—
Amb Oils	—	5	Electra P	—	5
Amlartic	—	20	Ellburn P	—	10
Amm Gold	1	3	Elmac	3½	4½
Andrew Y	65	75	Elmos	3	—
Amorada	—	5	Elora	—	15
Annamaque	1	3	Eltoro	—	15
Anoki	3	6	Erin Kirk	1½	3
Apollo P	—	35	Erndale	—	15
Arg Yell	3	4	Esther	—	25
Argosy	4	—	Faulk L	2½	4
Arken	—	9	Fenim Iron	34	37

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Rahill	2	3
Rainville	13	16
Rajah	2	5
Rambull	—	2
Randadll Y	—	15
Rand Mal	4	6
Rancona	10	12
Ranger	—	30
Ranney	—	5
Ranrouyn	—	30
Rare M S	—	480
Raylartic	—	7

Wright R	—	20
Yalta	5	10
Yama Gold	—	10
Yell Gold	145	—
Yell V.T.	145	—
Young D	18	20
Young Sh	3	5
Yukon Ex	10	15
Zakor	—	20
Zolata	—	25
?onore	—	23

Bond Redemptions

Bond Issues:	Rate	Year	Call	Price
‡Eastern Car 1st mtge. ser. A ..	2½%	1955	Jul. 1	110
‡Lake St. John Pr. 1st mtg. ser. A	5½%	1961	Jul. 1	103
‡Moirs 1st mtge. .	6%	1953	Jul. 1	100
‡N. B. Pwr. 1st mtge. ser. ...	4%	1949	Jul. 1	100½
Do.	4%	1950	Jul. 1	101
Do. 1st mtg. s f	4½%	1964	Jul. 1	103
‡Ottawa Elec. Rly. 1st mtg. ser. A	2½%	1957	Aug. 12	101
§Sao Paulo Elec. 1st mtge. s. f.	5%	1962	Jul. 1	par

‡All outstanding.
§$96,700.

Dividends Declared

	This payment $	Date payable	Date of record
Abitibi P & P $2.50 p	.62½	Jul. 1	Jun 1
Do. $1.50 pfd.	.37½	Jul. 1	Jun. 1
Acadia Atlantic A .	.25	Jul. 2	Jun. 10
Alum. of Can.	.25	Sep. 1	Aug. 1
Amer. Cyn.	†.25	Jul. 1	Jun. 4
Anglo-Nfld. Dev. ..	1.00	Jul. 26	Jun. 16
Asbestos Corp. .	.25+.05	Jun. 30	Jun. 8
Ashdown Hdwre. A	.15	Jul. 1	Jun. 10
Assoc. Tel. 6% pf.	†1.14	Jun. 30	Jun. 10
Auto Fabrics A ...	.15	Jul. 2	Jun. 15
Do. B	.10	Jul. 2	Jun. 15
R. M. Ballentyne 5% pf.	*1.25	Jul. 2	Jun. 1
Bk. of Nova Scotia	.30	Aug. 2	Jul. 16
Beatty Bros.	.60	Jul. 2	Jun. 15
Beld.-Cort.	1.50	Jul. 2	May 31
Do. pfd.	1.75	Jul. 2	May 31
Belgium Glove	.15	Jul. 2	Jun. 14
Do. 5% pf.	.25	Jul. 2	Jun. 14
Bell Tel.	2.00	Jul. 15	Jun. 15
Brant. Cord.	.12½	Jul. 15	Jun. 20
Do. pfd.	.32½	Jul. 15	Jun. 20
Braz. Tract. pf.	1.50	Jul. 2	Jun. 16
T. G. Bright	.25	Jul. 15	Jun. 30
Br. Amer. Oil	.25	Jul. 2	Jun. 3
Do. 3¾% pfd. ..	.234375	Jul. 2	Jun. 3
B. C. Forest	.15	Aug. 2	Jul. 29
B. C. Elec. 4% pf. ..	1.00	Jul. 2	Jun. 29
B. C. Power A	.40	Jul. 15	Jun. 30
B. C. Tele. 1st pf. .	1.50	Jul. 1	Jun. 16
Stan. Brock A	.15	Aug. 1	Jul. 10
Burlington Steel ..	.15	Jul. 2	Jun. 10
Bruck Mills B	.10	Aug. 1	Jul. 10
Building Products ..	.35	Jul. 2	Jun. 10
Burns & Co., A ...	.25	July 24	July 7
Do.	.25	Oct. 25	Oct. 7
Do., Cl. B	.25	July 24	July 7
Do.	.25	Oct. 25	Oct. 7
Calgary Pwr. 4% pf.	1.00	Jul. 2	Jun. 10
Do. 4½% pf.	*1.12	Jul. 2	Jun. 10
Can. Bread	.10	Jul. 2	Jun. 7
Do. 4½% pf.	1.12½	Jul. 2	Jun. 7
Do. B pf.	.62½	Jul. 2	Jun. 7
Can. Cement pfd. .	.32½	Jun. 21	May 21
Can. Crushed Stone	.10	Jun. 19	Jun. 1
Can. Dry	†.15	Jul. 1	Jun. 15
Do. pfd.	†1.06½	Jul. 1	Jun. 15
Can. Mach.	.25	Jun. 28	Jun. 8
Can. Perm. Mtge. .	2.00	Jul. 2	Jun. 15
Coup. 82-xc-Jun. 14			

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Winnipeg Elec.	.50	Jun. 30	May 14
Do. 5% pfd.	2.50	Jun. 30	May 14
Woods Mfg.	.50	Jun. 30	May 31
Wood Combing	.40	Jul. 10	Jun. 25
Wright-Har	.04	Jul. 2	May 27
York Knit. Mills A..	*.20	Jun. 30	Jun. 15

†N. Y. funds. *Initial.
‡After 2-for-1 stk. split.
§Participating div.
♦Sub. to approval of FECB.
▲Net payment after deducting corporate income tax.

Dividends Declared (cont'd)

Mtl. Tel.	▲.48	Jul. 15	Jun. 15
Mtl. Trust	1.00	Jul. 15	Jun. 30
Moore Corp.	.75	Jul. 2	May 28
Do., 4% pf.	.25	Jul. 2	May 28
Do. 7% A & B pf.	†1.75	Jul. 2	May 28
Murphy Paint	.20	Jun. 30	Jun. 17
Nat. Biscuit	†.40	Jul. 15	Jun. 8
Do. 7% pf.	.44	Jul. 2	Jun. 9
Nat. Grocers ..	.15+.20	Jul. 1	Jun. 9
Do. pfd.	.37½	Jul. 1	Jun. 9
Nat. Hose A	.15	July 1	Jun. 4
Do.	.15	Oct. 1	Sep. 3
Do.	.15	Oct. 1	Sep. 3
Do. B	.15	Jul. 1	Jun. 14
Do.	.15	Jan. 1	Dec. 3
Nat. Steel Car	.37½	Jul. 15	Jun. 15
Nat. Trust	.25	Jul. 2	Jun. 15
N. B. Tel.	.13	Jul. 15	Jun. 30
New Eng. Elec. Sys.	†.25	Jul. 1	Jun. 14
Niagara W. Weav. .	.40	Jul. 2	Jun. 8
Normetal	.05	Jun. 30	Jun. 5
Nor. Can. Mtge. pf.	.50	Jul. 2	Jun. 16
North Star Oil pf. .	.08½	Jul. 2	Jun. 11
North West Brew.	.15	Jun. 30	unstated
Do.	.15	Sep. 30	unstated
N. S. Light	.25	Jul. 2	Jun. 14
Ogilvie Flour	.25	Jul. 2	May 25
Ont. Beauty Sup. ..	.10	Jul. 2	Jun. 20
Do. pfd.	.25+.10	Jul. 2	Jun. 20
Ont. Loan	1.25	Jul. 2	Jun. 15
Ont. Steel	.25	Aug. 14	Jul. 15
Do. 7% pfd.	1.75	Aug. 14	Jul. 15
Ottawa El. Rly.	.25	Jul. 2	Jun. 1
Ottawa L. H. & Pr.	.15	Jul. 1	Jun. 1
Do. pfd.	1.25	Jul. 1	Jun. 1
Page-Hersey	.40	Jul. 1	Jun. 15
Paramount Pic. ..	†.50	Jun. 25	Jun. 4
People's Cred. Sec...	.25	Jul. 15	Jun. 30
Perron Gold M.	.01	Jul. 1	Jun. 18
Pickle Crow.	.10	Jun. 30	May 31
Power Corp.	.30	Jul. 31	Jun. 30
Do. 1st pfd.	1.50	Jul. 15	Jun. 18
Do. 2nd pfd.	.75	Jul. 15	Jun. 18
Price Bros. 4% pf. .	2.00	Jul. 1	Jun. 1
Preston E. D.	.01½	Jul. 15	Jun. 15
Proprietary	.03	Jul. 9	Jun. 9
Regent Knit. Mills .	.40	Sep. 1	Aug. 13
Do.	.40	Dec. 1	Nov. 12
Remington Rand ..	†.40	Jul. 1	Jun. 8
Do. pfd.	†1.12½	Jul. 1	Jun. 8
Renfrew Text. A ..	.15	Jul. 1	Jun. 10
Riverside Silk A ..	.50	Jul. 2	Jun. 14
Do. B	.50	Jul. 2	Jun. 14
Robertson P. L.	.80	Jul. 1	Jun. 19

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Commodities

	Latest week	Previous week	Same week last yr
Cattle	$19.78	$18.37	$15.70
Hogs	28.97	28.85	21.60
Copper, lb.	.21½	.21½	.21½
Sugar, raw, lb. ..	.0470	.0470	.06185
Coffee, lb.	.26½	.26½	.23¾
Hides	.30	.29½	.26
Weekly Indices			
U. S. Labor	164.2	164.4	147.9
Dow Jones	148.48	147.15	126.39
Fishers	172.5	172.2	159.0
Monthly Indices			
Retail (May)	153.3	151.6	133.1
W'sale (Apr.) ...	148.5	146.9	123.3
U. S. (Feb.)	160.7	165.6	144.6
Gt. Brit. (Mar.) ..	217.2	216.7	183.6

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good over 1,050 lb., top price, Toronto. Copper - electrolytic, New York. Coffee, No. 4 Santos. Rio Sugar 96 degrees centrifugal c/f New York.

Company Meetings

1948	Company	Place
June 17	National Grocers	Toronto
June 21	Com. Alcohols	Montreal
June 22	Brazil. Tractn.	Toronto
June 24	Chateau Gai	Toronto
June 24	Candn. For. Invest.	Montreal
June 24	Dom. Stores	Toronto
June 24	Paton Mfg.	Montreal
June 24	Sylvanite Gold	Kirkland Lake
June 24	Union Gas	Chatham, Ont.
June 25	East Koot. Pwr.	Montreal
Sept. 24*	Beauharnois L & P.	Montreal

*Adjourned from May 27.

Record of Financing

Sales by Municipalities, Provincial and Dominion Government. Offerings of Corporations and Foreign Securities.

CORPORATE

Nova Scotia Light and Power — 3¾% first mortgage sinking fund bonds, due July 2, 1968, $3,000,000, dated July 2, 1948. Sold at $101.41 and accrued interest to Royal Securities Corp. This issue has already been sold.

Saguenay Electric—3¾%, series A & B first mortgage, serial and sinking fund bonds, due June 1, 1949-58-68, $2,400,000, dated June 1, 1948. Sold to McLeod, Young, Weir & Co. Ltd. Series A bond priced at $103.19 and accrued interest, series B priced at $102.13 and accrued interest.

Quebec Telephone — 4% first mortgage sinking fund bonds series C, due Aug. 1, 1967, $1,000,000, dated Feb. 1, 1948. Offered at $100 and accrued interest by Credit Interprovincial Ltd. and Burns Bros. & Denton, Ltd.

Investment Trusts

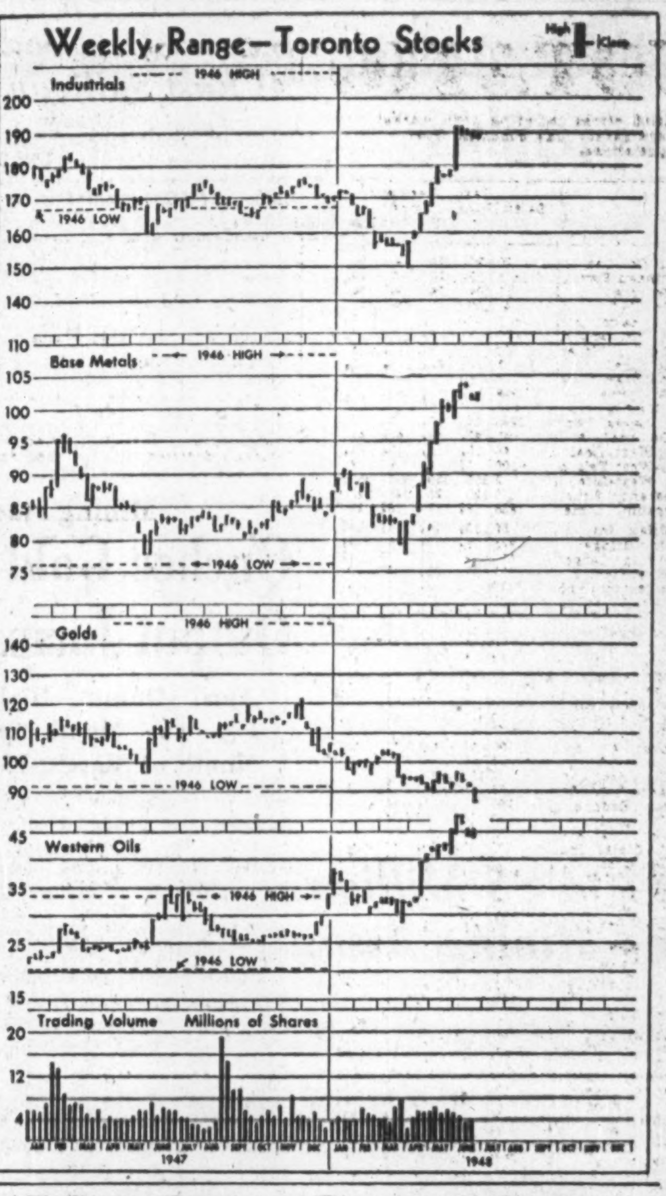
	Bid	Asked
Affiliated Funds	4.51	4.93
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.80	5.30
Can. Invest. Corp.	7.00	7.75
Commonwealth Int.	3.71	4.08
Corporate Invest.	8.88	9.55
Trans-Canada, A	14.30	....
Do. B	13.90	14.80

Public Utility Earnings

JAMAICA PUBLIC SERVICE LTD.

April:	1948 $	1947 $	Incr. %
Gross earns. ...	203,247	173,432	17.19
Oper. exps.	179,123	144,825	23.68
Net revenue† ..	24,124	28,607	*15.67
†Gross inc. after retire res. ...	34,333	36,577	6.17
12 Months Ended April 30:			
Gross earns. ...	2,190,065	1,948,234	12.41
Oper. exps.	1,851,888	1,585,272	16.82
Net revenue† ..	338,177	352,962	*4.19
†Gross inc. after retire. res. ...	450,452	450,316	0.03

All figures are subject to final adjustment and audit.
*Decrease.



Market Comment

What stocks and bonds are doing and what prominent observers say.

Although still buoyant, market action is increasingly selective, with Canadian markets generally setting a more modest pace than New York. Base metals, oils and to a lesser extent papers, are accounting for a major part of the trading on Canadian exchanges. International Nickel and Consolidated Smelters touched new two-year tops this week with increasing activity coming into Noranda and Hudson Bay.

U. S. and overseas demand for copper, lead and zinc continues at a high level. A plan to subsidize base metal producers in the United States has been worked out, which is expected to meet with President Truman's sanction. At the same time a plan to get Washington's stockpiling program moving is nearing completion. European requirements under ERP is expected to extend the heavy world demand for base metals even further.

Recessions of the last three weeks have been of a minor character fading each time on shrinking volume. Underlying market factors appear still on the "bullish" side. Indications of increasing consumer resistance in some textile fields, soaps, shoes, meat and amusements, are still being overshadowed in investors' minds by assured high operating levels for steel and heavy equipment, automobiles, metal, oils and papers industries for another one or two years.

• • •

J. S. Lightcap, Lightcap Securities Ltd: We do not look for a business recession this year. First-quarter reports continue to show an upward trend in profits in most industries. We believe that some of the large profits shown in the last year or two have been due to inventory appreciation and that once prices stop rising, earnings of some companies will show sharp reductions on this account.

Dividend distributions in 1948 will probably be small in comparison with the normal percentage of profits usually paid out; nevertheless, dividends should be greater than 1947. Stock markets have a habit of continuing a trend for several months, public psychology may be either bullish or bearish but whichever it is, it usually carries through. With so many followers of the Dow theory, the penetration of the market on the upside has given a great boost to bullish optimism. Good business is reasonably well assured for the next year, due to the large unsatisfied demand for such things as automobiles and many household products, together with the continued demand for homes which should keep factories busy for some time ahead. Money for rehabilitation of Europe as well as rearmament, further adds to the domestic demands on the nation's factories. It is always difficult to give the reasons for a market going down or up. For example, should stocks decline it might well be blamed on Russia's foreign policy and the possibilities of its leading to war; on the other hand, the same foreign policy can well cause a rearmament boom. These various cross-currents and influences, in the long run have little effect on the market, unless their results can be reduced to terms of earnings and dividend assets or interest rates, now or in the future. We look for this market to carry through well into 1949.

• • •

T. B. Wilson; Lampard, Francis & Co. (Toronto): For some time after the Canadian dollar was officially put back to parity with the American, a good deal was said and written about the advisability of this step. Recently discussion has simmered down a little, but we are convinced that it will boil again.

The problem hinges upon what action is taken with regard to sterling. Despite the notable advance of the export drive, the British balance of payments is far from equilibrium and, as far as we can tell at the moment, equilibrium cannot be achieved within the next few years. British export costs are palpably too high in many lines of goods, and an easy political answer lies in a further official devaluation of the pound.

When this occurs the Canadian dollar must, we think, inevitably follow the lead. Indeed, some well-informed sources are already talking about $2.40 for sterling and a 20-cent discount for our dollar.

With such a possibility, and even strong possibility, the Canadian investor should think in terms of the securities of those companies which sell a large, even a preponderant part of their output in the U. S. market. We think instantly of the newsprint and agricultural implement industries, and among them favor Great Lakes Paper Co., Consolidated Paper Corp. and Cockshutt Plow Co. common stocks.

• • •

Barron's The Trader (New York): National production and personal income remain close to record highs. Rising wages and profits and tax reductions are all adding to the stream of purchasing power and savings.

New Highs & Lows

During the week ended June 12, 44 new highs were recorded among the "general" stocks traded on Canadian Stock Exchanges, and 13 new lows. In the mining group there were 8 new highs and 25 new lows; 3 new highs and one new low among the western oils.

GENERAL

New Highs—1948

Acadia Atlantic A	Harding Carpets
Acme Glove	Int. Nickel
Bell Telephone	Int. Paper pfd.
Brown & Co. pfd.	Int. Utilities
Burns & Co. B	Massey-Harris
C. & D. Sugar	Nat. Hose. A
Can. Iron pfd.	Wm. Neilson pfd.
Candn. Car A	Ottawa L. H. & Pr.
Candn. Int. Inv. Tr.	Powell River
Candn. Lt. & Pwr.	Riverside Silk A
Candn. Vickers pf.	Shawinigan Pwr.
Can. Wallpaper B	Do. pfd.
Candn. Westingh'se	Sicks Brew.
Cockshutt Plow	Simpsons A
Cons. Smelters	So. Can. Pwr.
David & Frere B	D. A. Stuart pfd.
Dom. Coal pfd.	Traders Fin. B
Dom. Scot. Inv.	United Amuse. A
Dom. Square	United Fuel A
Enamel & Heating	United Securities
Fraser Cos.	Viau Ltd.
Gt. West Felt pfd.	Windsor Hotel

New Lows—1948

Amal. Elec.	St. Lawr. Flour
Can. Starch pfd.	Scythes & Co. pfd.
Dom. Bank	Silverwoods A
McCabe Grain B	Stand. Chem. pfd.
Montreal Telegraph	Toronto Gen. Trust
Ottawa L. H. & Pr.	Wilson Stat. pfd.
Purity Flour M. pf.	

MINING

New Highs—1948

Anglo-Rou.	Nicholson
Goldbeam	North Inca
Hosco	Placer Devel.
Hudson Bay	Waite Am.

New Lows—1948

Amal. Larder	Laguerre
Buffadison	Little L. L.
Buff. Can.	Osulake
Dome	Paramaque
East Mal.	Pato Cons.
Headway	Picc'y Porc.
Hedley M.	Pioneer
Hollinger	Que. Lab.
Jason	Silanco
Jellicoe	Sylvanite
Joburke	Tombill
Kelore	Upper Can.
Kerr-Addison	

OILS

New Highs—1948

Cent. Leduc	Warner
Texas Can.	

New Lows—1948

N. Pacalta

— FAR TOO MUCH —

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Hasaga Operating Well in Black Again; Starratt to Produce Next September

After a 1947 operating loss of $150,000, Hasaga Gold Mines is again operating "in the black," with a gradual improvement shown month by month.

The mill is treating 380 tons daily and mill additions are planned to bring capacity up to 500 tons later this year. Starratt-Olsen, in which Hasaga owns a million shares, is substantially on schedule with its program, expects to turn over its 500-ton mill in September.

Production and profits have shown a very steady climb at Hasaga as the following figures indicate:

	Tons milled	Total recov. $	Operat. profit $
January	9,808	70,046	7,937
February	10,005	73,548	13,136
March	10,573	73,530	14,332
April	11,365	76,550	17,912

Stope preparation has been completed on the 1,800 and 2,000-ft. levels and conditions appear excellent for maintaining the improved earnings ratio in months to come.

Ore Runs 50 ft. Wide

On the 1,800-ft. level the east stope has been silled out over a length of 120 ft. and an average width of 50 ft. The west stope also has a length of 120 ft. and an average width of 18 ft. Recent production indicates average grade for these stopes of approximately 0.2 oz. gold per ton. Ore dimensions are similar on the 2,000-ft. level, it is stated.

A sub-level has been established at 1,950 ft. Silling out has been completed here over a length of 200 ft. with widths up to 50 ft. Low mining costs are being secured by the use of blast hole drilling.

On the 2,200-ft level, the west drift has been advanced 600 ft. to west of the shaft with 800 ft. to be traversed to get under the main ore bodies opened up on the 1,800 and 2,000-ft. levels. A cross-cut has been driven over to the porphyry dyke and the drive is now in ore at this level.

Three Years' Ore

On the basis of the present milling rate, the mine has more than three years' ore supply—or two years' supply at proposed milling rate of 500 tons daily. At a higher rate of production, some reduction in unit operating costs is anticipated. The company also anticipates considerable assistance under the Dominion Government's cost-aid plan.

Hasaga is providing extra funds needed by Starratt-Olsen to reach production and the building up of the Hasaga treasury for dividend purposes is not expected to start until after Starratt starts production later this year.

Initial Starratt production is expected to be a daily milling rate of 250 tons but this is to be stepped up to 500 tons as rapidly as mine and stope preparation permit. The mill building has been completed and all heavy equipment is installed, except for crushing and grinding units. The steel headframe should be erected early in July and heavy hoists with three-ton skips will be placed in operation.

A loading pocket has been cut below the 5th level at 1,000 ft. and ore passes have been partly completed.

With free gold occurring frequently in the workings, it is thought that grade of ore treated may be above the mine cut grade of $6.90 a ton. Over-all costs of $4.50 to $4.75 a ton, inclusive of normal mine development, are anticipated with operations at capacity. Blast-hole diamond drilling is planned in the wider sections of the ore bodies.

As soon as production is attained, immediate consideration is to be given to the opening up of the 1,000-ft level where lateral work is yet to be carried on. A distance of about 300 ft. from the shaft must be traversed before work in ore starts.

Two Provinces Issue Geological Reports

Geological reports have been issued by the Quebec Department of Mines covering Nominingue and Sicotte map areas in Labelle and Gatineau counties. A further report deals with part of the northwest quarter of Beauchastel township.

Preliminary reports on the geology of the Barrington Lake and Farley Lake areas have been issued by the Mines Branch of the Department of Mines and Natural Resources of Manitoba.

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Gold-aid Cost $4 to $5 Million If Output Same—Mining Assn.

If, as seems probable, no great increase is made in the total volume of gold production, the total cost to the Dominion treasury of the Emergency Gold Mining Assistance Act will be $4 to $5 millions, the Canadian Metal Mining Association estimates. No attempt is made to forecast the possible production of new mines, it is pointed out.

Chiefly gold mines with costs above $25 an ounce will benefit under the Act, as aid for the others will average under 40 cents an ounce, the Association reports.

Exact dollar value of the assistance under the Emergency Gold Mining Assistance Act is summarized by the Association in the following table:

GOLD AID PER OZ. OF OUTPUT

Increase of Output	Cost of Production per Ounce $18.00	$24.00	$25.00	$26.00	$27.00	$28.00	$29.00	$30.00	$31.00
0%	0	$1.00	1.17	1.34	1.50	1.67	1.84	2.00	2.17
10	0	1.18	1.38	1.58	1.77	1.97	2.17	2.37	2.56
20	0	1.34	1.56	1.78	2.00	2.23	2.45	2.67	2.89
50	0	1.66	1.94	2.22	2.49	2.77	3.05	3.33	3.61
70	$	1.83	2.13	2.44	2.74	3.04	3.35	3.65	3.95
100	0	2.00	2.33	2.67	3.00	3.33	3.67	4.00	4.33
200	0	2.33	2.72	3.11	3.50	3.89	4.27	4.66	5.05
300	0	2.50	2.91	3.33	3.75	4.16	4.58	5.00	5.41

GOLD AID PER OZ. OF OUTPUT

Increase of Output	Cost of Production per Ounce 32.00	33.00	34.00	35.00	36.00	37.00	38.00	39.00	40.00
0%	$2.34	2.50	2.67	2.84	3.00	3.17	3.34	3.50	3.67
10	2.76	2.95	3.15	3.35	3.55	3.74	3.94	4.14	4.34
20	3.11	3.24	3.56	3.78	4.00	4.23	4.45	4.67	4.89
50	3.89	4.16	4.44	4.72	5.00	5.27	5.55	5.83	6.11
70	4.26	4.56	4.87	5.17	5.48	5.78	6.08	6.38	6.69
100	4.67	5.00	5.33	5.67	6.00	6.33	6.67	7.00	7.33
200	5.44	5.83	6.22	6.61	7.00	7.38	7.77	8.16	8.55
300	5.83	6.25	6.67	7.08	7.50	7.92	8.31	8.75	9.17

MINING CONCENTRATES

ANSLEY GOLD MINES June 2 installment of 66,666 shares at 15 cents a share and each subsequent installment under agreement with Draper Dobie & Co. have been extended for three months.

* * *

CONSOLIDATED CENTRAL CADILLAC MINES June 3 installment of 100,000 shares at 21 cents a share under agreement with Dunlo Investors has been extended for one month.

* * *

GOLDVUE MINES has received payment for June 12 installment of 50,000 shares at 15 cents a share. Issued capital is 3,512,005 shares.

* * *

GUAYANA MINES has allotted an additional 13,200 shares to various employees at 50 cents a share. Issued capital is 3,920,239 shares.

* * *

HIGHLAND-BELL has declared a dividend of three cents a share, payable July 5 to shareholders of record June 17.

* * *

MID-CONTINENT OIL & GAS advises that Thomas L. Brook & Co., Toronto, has underwritten 300,000 shares at 7 cents a share, payable forthwith, and optioned 150,000 shares at 10 cents, exercisable within 90 days. Upon issue of shares underwritten, issued capital will be 4,838,838 shares.

* * *

MACDONALD MINES reports cutting an 88.5-ft. section of massive sulphides assaying 7.04% zinc, 0.077 oz. gold, 0.38 oz. silver and 0.26% copper in drilling below 325-ft. level. The intersection was made in the new ore body 200 ft. south and west of No. 1 ore body. A second hole from same setup, at a steeper angle, returned 20 ft. of massive sulphides averaging 6.6% zinc, 0.015 oz. gold, 0.37 oz. silver and 0.30% copper. Drilling so far in this new sector has covered approximately 100 ft. along strike. South cross-cut from 301 east drift is being extended to open the new ore.

* * *

NICHOLSON MINES announces that Frame, McFadyen & Co. has underwritten 100,000 shares at 10 cents a share, payable forthwith, and has optioned 500,000 shares as follows: 200,000 at 15 cents within 60 days; 200,000 at 20 cents within 120 days; and 100,000 shares at 25 cents within 180 days. Upon issue of shares underwritten, issued capital will be 2,416,805 shares.

* * *

NEW NORZONE MINES May 20 underwriting of 100,000 shares at 15 cents under agreement with Torny Financial Corp. has been received and option has been terminated by mutual consent. By June 9 agreement Milhaven Securities Co., Toronto, has underwritten 300,000 shares at 10 cents, payable forthwith, and optioned 600,000 shares as follows: 200,000 shares at 12½ cents; 200,000 at 15; and 200,000 shares at 17½ cents, all exercisable by Sept. 30. Upon issue of shares underwritten, issued capital will be 2,350,002 shares.

* * *

NOVA-CO EXPLORATION has acquired assets and obligations of Cockeram Red Lake Mines for 783,318 shares. Shareholders are asked to forward certificates to Prudential Trust Co., 217 Bay St., Toronto, for exchange into shares of the new company on a one-new-for-three-old share basis. Cockeram Red Lake plans to surrender its charter.

* * *

SILANCO MINING & REFINING CO. balance of May 17 installment of 17,468 shares at $1 a share under agreement with Verona Rock Products has not been exercised, and balance of option has been terminated. By agreement with Torny Financial Corp., 392,468 shares have been underwritten at 30 cents a share, payable as follows: 92,468 shares by June 18; 100,000 by July 18; 100,000 by Aug. 18; and 100,000 shares by Sept. 18. Same interests have optioned one million shares, subject to approval by shareholders, of a corresponding increase in capital as follows: 300,000 shares at 35; 300,000 at 40; 200,000 at 50 and 200,000 shares at 75 cents, exercisable to extent of at least 100,000 shares a month commencing Oct. 18.

* * *

WEST WASA MINES has completed diamond drill holes 16 and 17. The latter, yielding among other core sections one 8½-ft. section, averaged 4½% copper in consecutive assays. Including other values in the core length, the section averaged $20 per ton. Additional drilling is to follow immediately, with setups being secured in deep boulder gravel which will be bulldozed off looking to open pit mining of the high grade.

Steep Rock Rail Line Gets Commons Support

A total of $256,000 has been voted by the House of Commons for construction of additional CNR track facilities to serve Steep Rock Iron Mines at Atikokan, Ont., and for purchase of two gantry cranes and one car shaker to be used in loading and unloading iron ore.

Transport Minister Chevrier pointed out that in return for shipment of iron ore from Steep Rock to the United States, this country receives a quota of pig iron production for Canadian steel mills and United States dollars.

Extend Ore Body At East Sullivan

An important extension to the east ore body of East Sullivan Mines has been indicated by a drill hole from the east end of the third level, The Financial Post is informed.

This drill hole has returned a true width of 58 ft. averaging 1.10% copper, 10.27% zinc and $3.00 in gold and silver. The intersection runs higher than average in zinc and is suggestive of an increasing tonnage of zinc ore.

Owing to urgent stope preparations, further drilling in this direction is not contemplated for some time but this ore body may extend considerably more to the east, the management feels.

Quebec Gold Output Jumps

April Output Highest For Any Month Since Month of March, 1944

Gold production in Quebec jumped sharply in April, 1948, reaching the highest total since March, 1944, Hon. Jonathan Robinson, Minister of Mines reports. Output was 69,351 oz. as against 49,513 oz. in April, 1947, and 56,985 oz. in March, 1948.

Figures cover gold output of base metal mines as well as gold producers so that increased production probably reflects higher byproduct recovery of gold by Noranda Mines which has been operating on a larger scale in 1948.

Silver production moved the opposite to gold, totaling 138,929 oz. in April, 1948, against 156,234 oz. the previous month and 156,799 oz. in March, 1948.

Asbestos production showed a slight increase at 61,592 tons (60,517 tons, March, 1948) but was slightly lower than the 62,525 tons of April, 1947.

Clay products showed a considerable advance in dollar value at $334,163, ($269,557 in March). Lime produced was 34,475 tons up from 30,642. Cement production showed a wide increase at 621,063 tons compared with 473,161 tons the previous month and 525,308 tons in April, 1947.

Cumulative totals for the first four months of 1948, compared with the similar period in the preceding year, show the following variations in increase: asbestos, 8%; gold 28%; silver, 23%; clay products, 10%; lime, 22%; and cement, 49%.

Hargal & Lingnora In 50-well Play

A 50-well drilling program in the Blackfoot sector of the Lloydminster field is planned by Hargal Oil and Lingnora Gold Mines which recently brought in their No. 1 well as one of the best producers in the field, it is announced officially.

The Hargal-Lingnora No. 1 well during the month of May produced 127.2 bbls. per 24-hour day. The oil sells at $1.25 a barrel.

Contracts are now being drawn up for drilling the No. 2 and No. 3 wells, both of which will be direct offsets to No. 1, it is stated. The Hargal-Lingnora team owns an 80-acre lease roughly a mile north and west of the location of the Nos. 1 to 3 wells and it is possible that up to eight wells may be drilled on this ground.

Officials state that both costs and profits on the Hargal-Lingnora program will be split between the two companies on a 50-50 basis. It is pointed out that wells may be completed in the Lloydminster field for about $18,000 each.

Uranium Is Discovered In Lac La Ronge Area

From Our Own Correspondent

REGINA — Discovery of uranium in the Lac la Ronge region, about 200 miles north of Prince Albert, is announced by Resources Minister J. L. Phelps. A 25-square-mile area has been withdrawn from staking.

Samples have already been assayed at Ottawa, and a high uranium content has been found in other samples checked by Dr. J. W. T. Spinks, in the University of Saskatchewan laboratories, it is stated. These latter samples had a radio-active count of five times normal.

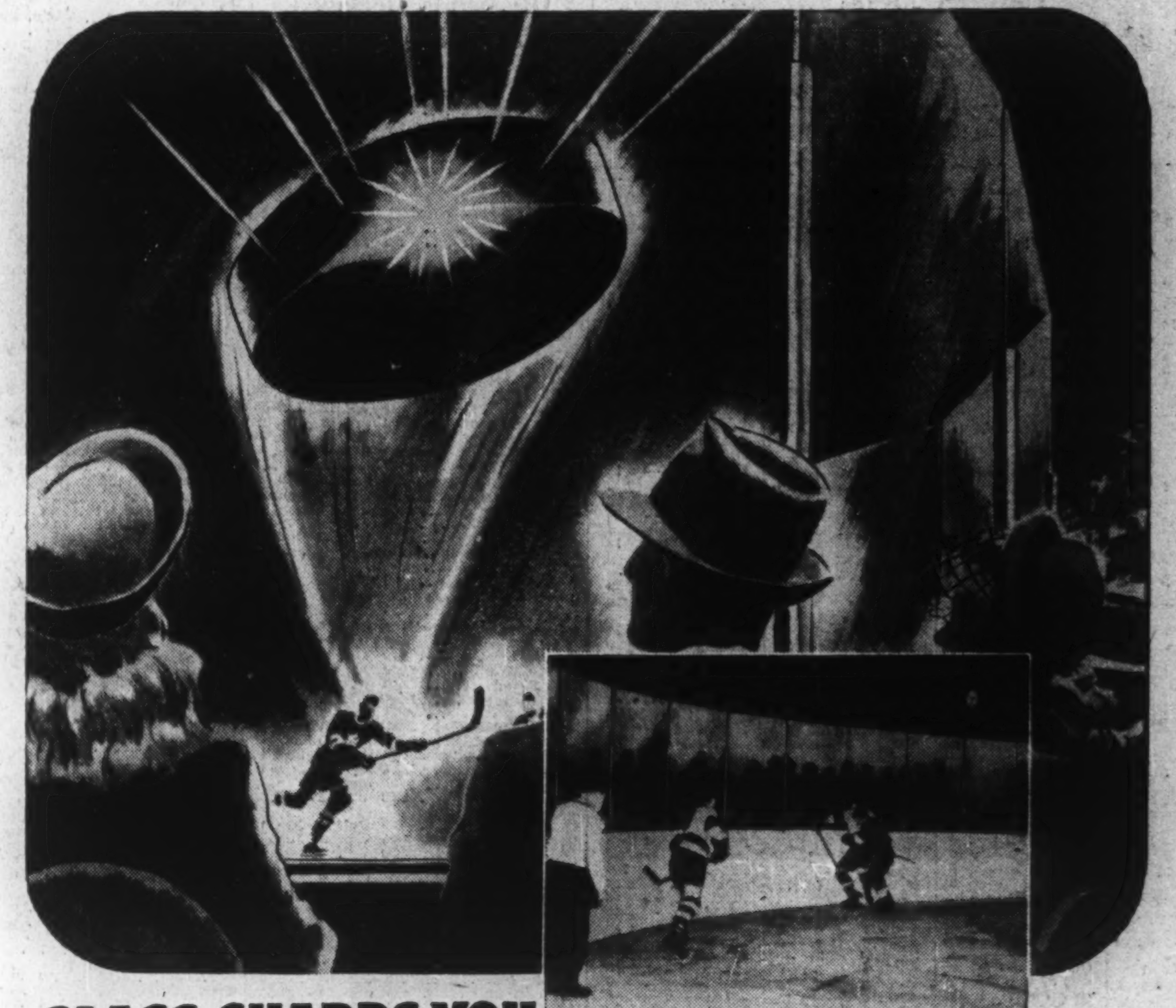
The discovery was made by William Richardson and Len McArthur, both Toronto men. They had obtained their licenses only four weeks ago and were prospecting under the Government's newly inaugurated prospector's assistance plan.

Under the plan, prospectors are given exclusive rights to prospect within the area withdrawn from staking for a period of three years. At the end of that time they must select a part of the acreage to be retained.

The radio-active showings occur within the zone paralleling and west of the Montreal River north-east from the north shore of Lac la Ronge. Other occurrences in a six-mile zone were also checked by means of a Geiger-Counter. "It showed unusual activity varying between 200% and 500% above the normal background," said Mr. Phelps.

Manitoba Mines Dept. Appoints New Officials

Appointment of J. S. Richards as acting director of the mines branch is announced by the Manitoba Department of Mines and Natural Resources. Mr. Richards was formerly administrative assistant to Dr. G. M. Furnival, retiring director of the branch. Other new appointments include that of M. J. Gobert as chief mining engineer and Dr. J. D. Allan as chief geologist.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ST. EUGENE MINING CORP. continued study of structural and stratographic geology in Moyle area in 1947. While study has not been conclusive, it has indicated areas for diamond drilling and other exploratory work, but no financial arrangements have been made to carry out this work, President A. J. Anderson states. Expenditures for the year were $14,088. Current assets totaled $10,494 and current liabilities $65,293. Advances from associated companies amounted to $232,679; and balance of purchase price, payable from 1948 to 1952, was $54,787.

Ore Reserve Regulation of Gold-Aid Plan May Bring Change in Mining Practice

By GORDON M. GRANT

Actual payments under Canada's Emergency Gold Mining Assistance Act drew a step closer on Tuesday of this week when the regulations called for under the Act were announced at Ottawa. Several surprises were included, although there was no great change in the over-all subsidy plan.

(The Act calls for a subsidy of 50% of gold mining costs and over and above an $18-an-ounce cost for all output in excess of two thirds that of the base year.)

Many uncertainties are introduced by the regulations which will remain for succeeding weeks to clear up.

A limit is placed on the amount a company can expend on building up ore reserves. Initial interpretation of the ore reserve sections suggests that a gold mine can include all its costs in building up a reserve equal to three times "the amount" milled in the preceding year. Over that expenditures will not apparently be included in costs for subsidy purposes. But a mine which starts off with an ore reserve greater than three times the amount milled in the preceding year will be permitted to include in costs expenditures made to maintain that reserve. The regulations do not say whether "amount" refers to tonnage handled or value of ore. A new mine also faces uncertainty here.

There are several methods for computing ore reserves and it is also quite possible to complete a lot of development in ore without actually proving up reserves. Thus the mining industry is seeking elucidation on just what it will be permitted to do in practice and what the actual definition of ore — for purposes of the regulations will be. There may be some possible changes in mining practices. The whole situation is given a close study by the Ontario Mining Association at its convention this week.

It is quite definite under the act, however, that a company will not be permitted to make large expenditures on shafts, shaft stations, pumping stations, haulageways, etc., and then chalk these up as current costs for subsidy purposes. These must be capitalized and amortized on the basis of 15% per anum.

The Act had already specified that depreciation and preproduction expense write-offs (but not depletion) were to be permitted as expenses under the subsidy. But the regulations have set out the rate — an amount computed by applying the same normal rate or percentage per annum as employed by the mine during the same period for purposes of the income war tax act; but in no instance shall the rate exceed 15%.

New Mines Covered

In the case of a new mine exempted under section 4 (x) of the Income War Tax Act which has elected to defer wholly or in part, normal charges in respect of depreciation and pre-production expenses until after its exempt period, the amount which may be included in the cost of production of gold shall be such reasonable rate of percentage of the value of the depreciable assets and amount of preproduction expenses as may be determined by the Minister, not exceeding 15% per annum. This appears to be a "break" for the new gold mine.

No mine is going to receive assistance under the Act unless it keeps suitable books and produces more than 50 troy ounces of gold annually. The Act had already provided that in the year for which assistance is sought, 70% of the value of the output of the mine concerned must be gold. Regulations now provide for methods of calculating costs of producing gold in cases of mines which have suspended operations either during the base year or during the designated year for which assistance payments are requested, where the reasons for suspension are beyond control of the operator.

Provision is made for making advance payments on a quarterly basis up to 80% of the estimated assistance payments for a specific quarter of the designated year.

Operators have been happy to find that such things as administration expenses, auditing charges, stock transfer expenses, etc., will be permitted as costs for purposes of the subsidy.

Forms are prescribed for making application for assistance.

Cons. Smelters Will Pay $5.00

A new fillip upward was taken by shares of Consolidated Mining & Smelting Co. this week when directors annonced a new record-breaking semiannual dividend distribution for July 15, 1948, to shareholders of record June 21 (ex-dividend June 18).

Besides the regular semiannual dividend of $1.50 a share, the company is paying an extra of $3.50 a share, bringing the total semiannual distribution to $5 a share—25 cents a share more than the previous record payment of Jan. 15, 1948.

Recent dividend declarations have been:

Payable	Reg.	Bonus
Jan. 15, 1947	$1.25	$1.00
July 15, 1947	1.25	2.00
Jan. 15, 1948	1.50	3.25
July 15, 1948	1.50	3.50

The July, 1948, distribution involves $16,381,645, over half of which goes to CPR, which holds control.

Callinan Starts Drilling Program

A contract for a minimum of 5,000 ft. of drilling has been let by Callinan Flin Flon Mines following completion of a gravimetric survey by Radar Exploration Co. and on recommendation of the company engineer, Gordon W. Moore, Vice-President John W. Tovell announces.

Several anomalies were indicated in interesting geological areas by the gravimetric survey. Initial drilling is to be completed on the Amaryllis claim and on the boundary of the Dan and Amaryllis claims, both these locations lying immediately north of Hudson Bay Mining & Smelting Co. One anomaly lies on the strike of a mineralized zone previously outlined; a second in an area where folding is indicated.

Other anomalies occur in other sections under interesting geological conditions for testing in a continuing program. Drilling program, in charge of E. M. Dillman, is scheduled to start the first of the week.

Resume Development At Nicholson Mines

With approximately $35,000 cash on hand and arrangements completed to raise additional funds, Nicholson Mines is planning an aggressive development program on its Beaverlodge holdings at Lake Athabaska, Sask. Consulting Geologist Dr. G. C. McCartney is to examine the property and plan proposed work.

A Geiger counter survey, run over the property in 1946, is reported to have returned numerous indications of radio-active minerals. At least four well-defined zones carrying uranium group minerals in important quantities were reported outlined in subsequent surface trenching.

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Lead Duty Lifted By U. S. Senate President Next

The United States Senate on June 11 voted to suspend the U. S. import duty on lead from July 1, 1948, to June 30, 1949. The bill concerned had previously passed the House of Representatives and now only awaits the signature of President Truman to become law. This is expected within a few days.

Lead thus follows copper as a nonferrous metal which may be shipped by Canada to the United States duty free. Duties, however, still prevail on nickel and zinc.

Most Canadian lead production in recent years has been sold to the United Kingdom but it is thought that fairly substantial tonnages may now flow to the United States where supply is very short. This will mean more U. S. funds for Canada.

Floods Affect Base Metals

Production and earnings of Base Metals Mining Corp, established new highs in April, but flood conditions handicapped operations in May, President Arthur P. Earle informs shareholders. Output in April totaled 705 tons of zinc concentrates averaging 59.1% zinc and 35.4 tons of lead concentrates averaging 82.17% lead. Fourteen cars of zinc concentrates and one car of lead concentrates were shipped to the smelter. Operating profit was estimated at $30,496.

Operations were severely restricted in May by flood conditions in British Columbia resulting in temporary stoppage of mining in Kicking Horse section and reducing mill operating time to 18 days during month. Seasonal shortage of labor was also a contributing factor affecting normal operations.

The mill treated 2,650 tons of ore in May and produced 402.5 tons of zinc concentrates averaging 79.6% lead. Of the ore mined, 2,063 tons were drawn from Kicking Horse section and 856 tons from the Monarch. Flood waters washed out sections of the railway to Trail and temporarily prevented shipments of concentrates to the smelter.

Barima Drilling Justifies Dredge

Sufficient diamond drilling has been completed on alluvial area holdings of Barima Gold Mining Co. (Canada) in British Guiana to justify installation of a dredge capable of handling 600,000 yds. per annum, General Manager David Lewes states.

Some 345 holes drilled to depth of 9 ft. have indicated 5.2 million cu. yds. of gravel containing an average of 44½ cents per yard, or total gross value of $2,324,324 at $35 gold, Mr Lewes adds. Section drilled is on the Barima River, north of Arakaka, where testing has been done at 10-ft. intervals. Similar work was carried out on Arakaka Creek, in swampy flats, where a great deal of work had been done previously by other interests. A large area in this section is yet to be drilled.

Ground along the Barima River can be cheaply cleared by mechanical means, and power can be supplied at estimated cost of less than one cent per kva.

Company has erected a central camp for about 50 men and has installed radio transmitter with regular communication to Georgetown.

"Constructive Attitude" Urged for Gold Mining

Last week, W. J. McDonough, president of Trans-American Mining Corp., North Inca Gold Mines, and other Canadian gold mining operations, declared that the Canadian gold mining industry must "get constructive in its thinking."

In the opinion of Mr. McDonough, despite the spiraling of costs, opening up of a great new gold discovery would correct a lot of present pessimistic thinking and cure a lot of troubled psychology. Mr. McDonough wonders if the present depressed state of the market hasn't been due to the fact that many of the new gold discoveries haven't been standing up to advance expectations.

Outlying discoveries are getting "closer" every day, Mr. McDonough pointed out. A traveller can now leave Toronto at 2 p.m. and arrive in Yellowknife at 1.30 p.m. the next day. Freight costs into Trans-American operations in Yellowknife have been cut in half the last year or two, it was pointed out.

Giant 'Up to Expectations' General Manager Reports

While milling operations at Giant Yellowknife Gold Mines only got under way on May 13, instead of in April, as had been originally hoped, both grade of ore handled and tonnage treated are exceeding expectations and output appears likely to exceed forecast estimates very soon, General Manager A. K. Muir informs The Financial Post on his return from a visit to Yellowknife.

From May 13 to May 31, heads averaged a calculated 0.66 oz. against an anticipated 0.60 oz. and the mill handled an average of 177 tons daily. The mill is now "well over" the 200-ton-a-day mark against the estimated average of 180 tons, forecast for the period before Snare River power becomes available in the fall. Mill capacity is 500 tons.

Not Pushing Grade

No difficulty is foreseen in maintaining tonnage at the present level, and it appears likely that grade will be maintained as well, since there has been no particular effort to "push" grade. Actually in May, the 0.66 oz. average was obtained despite treatment of quite an amount of lower grade material which it was felt should be treated, as it had been secured in the course of development and had to be hoisted and trucked anyway.

Approximately 3,300-3,400 tons of ore were milled during period, of which 2,000 tons or about 60% came from underground. The underground mill feed included 300 tons of material, running less than a tenth of an ounce gold per ton. Of the 1,300 or 1,400 tons which came from surface dump, a considerable portion came from the marginal dump and averaged only 0.17 oz. gold per ton. Obviously a considerably higher average than 0.66 oz. gold would have been secured had high grade from the high grade dump been substituted for lower grade put through.

Most Ore From Development

What appears particularly impressive about the grade handled is that most of the underground ore is coming from development and stope preparation. Only a minor part is yet being derived from stopes. As mining men know, development rock usually does not run high grade. A little ore, however, is being drawn from the high grade No. 212 stope and a small amount is also being taken from the No. 221 stope on the saddle reef structure. (Both are at the second level.)

Despite the milling of dump ore, there is still on the dump 17,000 tons of ore averaging 0.69 oz. gold cut and 0.88 oz. uncut. It is thought that by the time this ore is milled, the company will have a pretty good idea whether its ore is going to provide mill heads close to the uncut or cut estimates.

Power Well Along

The power line to Snare River is all completed save for stringing of three miles of line. The Snare River power plant, scheduled for fall completion, is well along and will likely be ready by early fall. Good progress has been made with the roaster and it will be ready by the time the power line is energized. Concrete has been poured for the roasting furnace and walls of the building. Bricklayers will be in the last week of the month, and the stack erector in July. The first boat arrived on June 8, three week earlier than last year, which is quite a break for the operation.

Good progress is being made in preparing stopes to be ready for larger scale production when Snare power is turned on. Nos. 206 and 207 stopes are being prepared on the No. 1 ore shoot. No. 208 stope has also been prepared on the north ASD ore body.

On the third level, the No. 302 north heading has been in very good ore in the North ASD zone for the last 100 ft., at last report, with considerable visible gold in evidence. About 12 ft. of advance a day is being made.

Get Fine Deep Hole

A recent encouraging development has occurred in a program of drilling from the second to fourth level at 575 ft. to lay out development plans at the deeper horizon. Hole U-B 324 has returned two ore intersections at 70 to 105 ft. vertically below the 575-ft. level. Two intersections of 0.63 oz. over 10.5 ft. and 0.44 oz. over 17 ft. are separated by 13.5 ft. of waste. This ore is the deepest yet investigated from the underground workings and is in the north ASD zone.

A normal program of diamond drill exploration is being maintained. It appears likely that a start will be made soon on testing the area immediately south of No. 2 shaft, which is regarded as a logical place to look for new ore.

North Inca Deal Gives $150,000

A new financing deal completed by North Inca Gold Mines is expected to provide more than sufficient working capital to complete shaft to 200 ft., carry out 1,500 ft. of lateral work and drilling to 600-ft. vertical depth, The Financial Post is advised.

A financing group, headed by Trans-American Mining Corp. and a syndicate of New York interests, has taken a firm commitment on sufficient treasury stock to provide North Inca with $150,000. This, coupled with cash on hand, will bring cash resources to $175,000.

On completing shaft objective, the company proposes to drive a 150-ft. crosscut west to intersect No. 1 vein in A zone where drift will be started and continued for approximately 550 ft. to the south. In surface drilling the A zone indicated 630 ft. length, averaging 0.54 oz. across 2.5 ft. and main shear zone 600 ft. of length, averaging 0.96 oz. uncut and 0.48 oz. cut across 3 ft.

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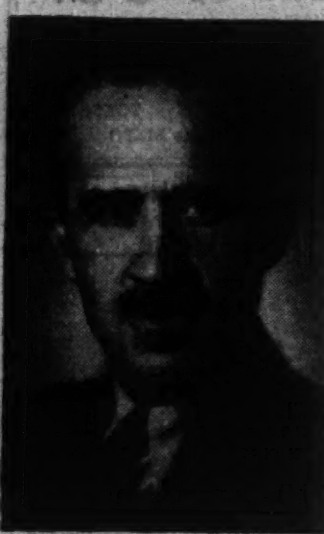

MR. ROCH TREMBLAY, LL.L.

At a recent meeting of the Board of Directors of the Provincial Transport Company, in Montreal, Mr. Roch Tremblay, formerly secretary of the Company was appointed Vice-President and Secretary.

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Gairdner Sees No Depression If Course Sane

By JAMES H. JOYCE

MURRAY BAY, Que. (Staff)—Canada need have no fear for years to come of a depression or over-inflation if it has: (1) a realistic exchange rate and free movement of securities; (2) a flow of capital from the United States; (3) a sound immigration policy; (4) a revised tax structure, James A. Gairdner, retiring president, told the 32nd annual meeting of the Investment Dealers Association of Canada this week. No country in the world can offer the same advantages either for individual effort and initiative or investment of capital, he added:

Remarking on restoration of the Canadian dollar to parity with that of the United States, Mr. Gairdner commented: "One cannot but feel that that the Government action was dictated more by politics than by economics; and the same reason must be applied to its action last fall, in adopting import restrictions and excise taxes, rather than reversing its former action, and returning our funds to where they belong."

Outstanding development of the year was the withdrawal of the Bank of Canada as a buyer at a pegged price of Dominion of Canada securities.

"This act was in my opinion sound and constructive in that it gives capital, which after all is only the savings of the nation, some hope of again realizing a fair return for its use," Mr. Gairdner stated.

"In recent months the pressure of tremendous funds for investment has been felt and renewed confidence has entered the market. With tremendous development in store for Canada, I would not expect money rates to stay static at present levels."

Third Capital Expansion

Canada today is going through the third great capital expansion phase of this century. The decade preceding the first World War was one of great construction activity. In the second period from 1922 to 1929 construction contract awards climbed from $331 millions to $576 millions. The third and current period of capital expansion has produced an increase of $511 millions, from $206 millions in 1943 to $717 millions in 1947. (To a certain extent the figures for the third period are inflated by the rise in construction costs, but the accelerated pace of our advance in capital growth is impressive and the end may not be yet.)

It is quite conceivable that under release from governmental restrictions this period of capital expansion could reach figures far in excess of any previous period, he added.

Of the $2.8 billions which the Department of Reconstruction & Supply estimates will be spent in 1948, 55% is assigned to business enterprises and the balance to housing and government projects.

Corporate capital expenditures are divided into 35% for new construction and 65% for new machinery and equipment. The $1½ billions which, it is estimated, will be spent in 1948 by business enterprises compares with $1,381 millions in 1947, $823 millions in 1946, $516 millions in 1945.

Where From?

Where will this money come from?

The first source will be the corporation itself through depreciation and retained earnings, Mr. Gairdner stated. A study of 709 Canadian companies made by the Bank of Canada shows that in 1946 $429 millions of additional investment was made—65% in plant and equipment and 35% in increased inventories. Twenty-three per cent of this investment was obtained from current earnings after dividends and 35% from depreciation for a total of 58% from what might be regarded as "internal" corporate sources—the balance mostly by use of working capital and from bank loans.

Secured source is through the issuing in Canada of corporate bonds, debentures, preferred stock and common shares.

In each of the 10 years ended in 1946 the total of corporate bonds outstanding in Canada diminished. In 1947 new and refunding issues of $424 millions produced a net increase in outstanding bonds of $85 millions. The actual result in the case of preferred and common stocks is not readily available but the trend has been to small net retirements of preferred stock, while the total of common stock outstanding has advanced moderately.

"The increase in new money financing by industry so far represents a minor fraction of its tremendous expenditure—a fraction far out of line with sound financial policy," Mr. Gairdner stated.

No Time to Extend Loans

"I say to industrial management that this is no time to be extending your bank loans—using your working capital position for purposes of expansion. You have available a bond rate that is still within one-half of 1% in yield of an all-time low—a preferred share and equity market that is reasonably attractive. Under such conditions industry would be well advised to finance as they go and keep their liquid position sound and available to deal with any contingency that may arise. Such action would also be a strong anti-inflation influence, resulting in the active employment of surplus funds of our citizens."

New issues over the past few years have had to be sold almost entirely in the domestic investment market and under present foreign exchange controls such must continue to be the case, Mr. Gairdner noted. Previously Canada had the benefit of a large supply of funds from external sources, namely England or the United States. Today Canada has only the United States to look to.

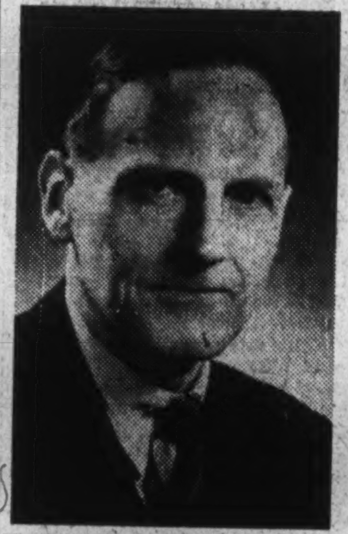
In 1945 Canada had a favorable balance of $222 millions in its interflow of securities with the United States and for the six months ended June, 1946, a favorable balance of $141.5 millions, but since the dollar returned to par in the following month, the balance either way has been negligible, Mr. Gairdner noted.

Seek "Sound Level"

"If our funds today were to be allowed to find a sound economic level relative to U. S. funds, it is not difficult to imagine that there would be a favorable flow of investment funds into Canada. Under present conditions such a balance would, to a large degree, pay for our imports for capital expansion purposes and the resultant development of our natural resources and industry would more than service the investment in years to come and help materially to place Canada on a self-sufficient basis in comparatively few years. In the meantime the present embargos, restrictions and excise taxes would be lifted and industrial enterprise unshackled," he stated.

"Canada is a young and virile country with tremendous natural resources awaiting development. We have only three other needs—a supply of venture capital over and above what our citizens can or will supply and which a change in our exchange policy can make available from our good neighbors to the South; additional population to increase our production, and internal consumption. This country could absorb many thousands per year of carefully selected immigrants — the immigrants are ready and waiting. All that remains to be done is for our Government to adopt a sane and aggressive policy of selection and encouragement — and a realistic tax structure which would relieve the heavy burden on middle income brackets and which would eliminate to some degree double taxation on industrial earnings and dividends and thus encourage enterprise and the investment of venture capital," Mr. Gairdner concluded.

IDA Regional Vice-presidents



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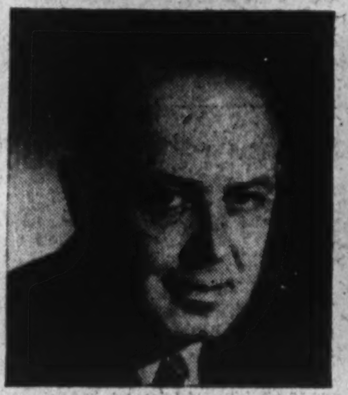

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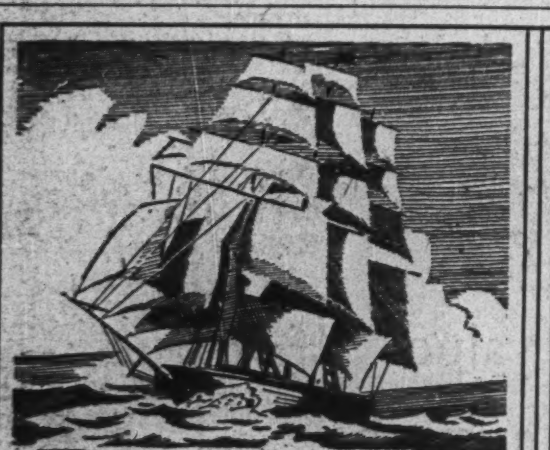
PRIVATEER MINE bullion production totaled $39,566 in May from treatment of 1,450 tons of ore, for average recovery of $27.29 gold per ton.

AMALGAMATED LARDER MINES has suspended diamond drilling and property is to remain idle until better conditions prevail in the gold mining industry.



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From Our Own Correspondent

HALIFAX — Contracts awarded for 1948 by the Nova Scotia Department of Highways and Public Works include 120 miles of paving, 90 miles of gravel base with bituminous surface preliminary to paving and 75 miles of grading preparatory to paving. In addition, $250,000 has been appropriated for ferry docks at Englishtown and Bras d'Or.

Completion of 1947 contract for work on the Ross Ferry docks calls for an expenditure of $150,000 this year. Tenders are being called as well on 85 miles of new grading, preparatory to paving, to be started in 1948.

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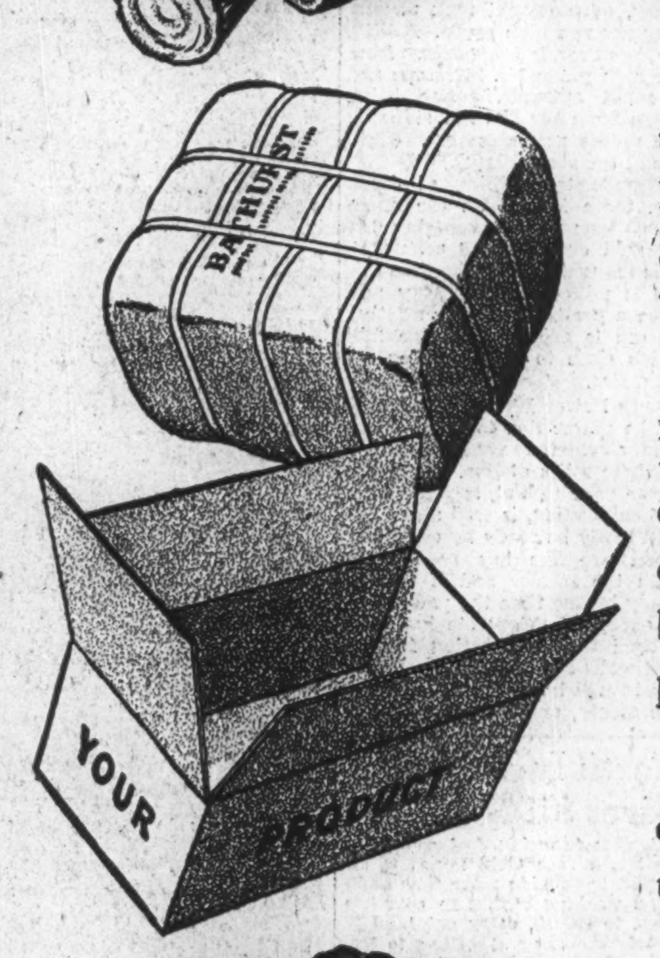

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Maritimes Drives to Expand Industry

Steel, Pulp and Paper Outlook Bright Spots in the Picture

By JAMES H. JOYCE

Maritimers have long realized that their economic well-being depends not as much on their own original policy as on the national and international scene. But currently they are perhaps more conscious than ever of the extent to which trade agreements with other world countries affect their welfare. The lack of a market in Britain in 1947 for apples, the four-fifths reduction in the amount of Maritime timber Britain is taking in 1948 as compared to 1947, the restrictions preventing the export of steel to foreign markets from Sydney are three reasons for this.

However, Nova Scotia, New Brunswick and Prince Edward Island are not waiting for Ottawa to help them out.

Maritime leaders are now saying "We have the resources and the ability. We can develop our own industry."

Leaders are trying to get more activity — more "drive" into the area's industrial effort. They are taking direct action to stimulate trade by aggressively "going after" new industries, by producing better quality goods at competitive prices, by new and more advanced techniques, by promoting a higher standard of products and a greater continuity of supply.

National income figures since the end of the war show that their efforts have met with some success. From 1944 to 1946 (the latest year for which figures are available on a provincial basis), the Canadian national income rose 5% (from $4.8 billions to $5.1 billions) but that of Prince Edward Island rose 15.4% (from $13 millions to $15 millions) and that of New Brunswick rose 12.2% (from $123 millions to $138 millions). Only Nova Scotia's national income rose less than the national average — rising 3.6% from $222 millions to $230 millions.

Samples of the New Spirit

Indicative also of the new spirit are items like these:

(1) A new $65 million pulp and paper mill is to be established at Lepreaux, N.B. — Maritime Pulp & Paper Mills Corp. — Construction to start this month. Capital mainly from the United States.

(2) A new $4 million industrial chemical development — Atlantic Chemicals Co. — is to be started near Weldon, N.B., on the Petitcodiac River. Preliminary engineering work nearing completion; expected to be in operation by January, 1950.

(3) Dominion Steel & Coal Corp. is to spend $4 millions at Sydney, N.S., for a new battery of 53 coke ovens; also relining its three blast furnaces and putting eight new pits in its blooming mill.

(4) Dominion Coal Co., a Dosco subsidiary is negotiating with the Dominion Government on program of mechanization which would, the management expects, better enable them "to stand on their own feet."

(5) Most electric and telephone utilities — both privately and governmentally owned — have large-scale expansion programs under way to meet growing demands for their services.

(6) Pulp and paper industry in both Nova Scotia and New Brunswick is increasing its capacity as demand continues to exceed production.

(7) Search for and endeavor to develop new mineral and oil resources in New Brunswick and Nova Scotia.

(8) Efforts to improve and increase tourist accommodation so as to bring additional revenue from this profitable source.

(9) The establishment by the U. S. firm Bendix Home Appliances, Inc., of a Canadian branch plant at Amherst, N.S., and the possibility of similar establishments by other U. S. firms.

(10) Possibility of some British firms establishing Canadian branches in the Maritimes, e.g. five are said thinking of locating in New Brunswick.

A more detailed list of new business prospects elsewhere on this page indicates the extent to which the Maritimes are moving to develop their own economy.

Also indicative of the desire to help themselves build up their economy are the activities of the Maritime government departments to establish, aid, guide and promote industry in their provinces and also the work of the Nova Scotia Research Foundation headed by Dr. H. D. Smith as president and with Dr. R. D. Howland as vice-president, and the Board, headed by Dr. H. J. Rowley as chairman.

Dosco's program to improve efficiency, with consequent favorable effect on costs of production, is regarded as particularly significant. Steel is one of the necessities in establishing industries; its cost plays an important part in a new industry or development of new products. Further, as Dosco constitutes such a big segment of the Maritimes industrial economy, its prosperity is vital to that of the whole region.

The project by Dominion Coal Co., a Dosco subsidiary, to mechanize its Nova Scotia coal mines is also regarded as particularly significant. If and when its plans go through, cutting, gathering and loading of coal at the coal face will be entirely mechanized. Success of its plans could mean a revolution in the whole Canadian coal industry and the opening up of another new industry for Nova Scotia — the manufacture and sale, both domestically and in the export markets, of the new mechanized coal mining equipment by Trenton Industries Ltd. (a subsidiary of Nova Scotia Steel & Coal Co. which is in turn a Dosco subsidiary) under patents from Joy Manufacturing Co. of Pittsburg, U. S. A.

Both management and labor have come to recognize that greater production per man is needed to improve the Nova Scotia coal industry. One clause in the wage agreement which settled the strike last year was the demand that production per man be raised. This was largely achieved and coal miners were given a wage increase last December. The average output per man-day for Nova Scotia as a whole was 1.91 tons for 1947 — up from 1.63 tons per man-day for 1946 but still below the 2.22 tons per man-day for 1939.

Production per man at the Dosco subsidiaries' coal mines is generally higher than elsewhere in the province, it is stated. Further mechanization will raise the average again and, the management hopes, will help put the industry in a prosperous state.

Fishing Industry Seeks Improvement

The Maritimes fishing industry had a bad year in 1947 but is looking for better results this year. There was a drop in quantity landed last year due to a strike by the men operating the deep sea fleet, followed by an abnormally poor fishing season. Added to this was a summer break in the export market for fresh fish with consequent lower prices to fishermen. Partially offsetting this for New Brunswick was an all-time high sardine catch in 1947.

There is a growing demand in the fishing industry — particularly in Nova Scotia and Prince Edward Island — for increased government inspection and grading. Proponents say this would involve government inspection of plants and boats, government inspection of cargoes of fish and the grading of final fish products. Opponents say it would take an army of inspectors to achieve this and that freedom and speed of action would be hampered.

Behind the agitation is the desire to encourage the gradual improvement in plant facilities — both on boats and ashore — and in quality and standard of products, and so expand the market for Maritimes' fish. The lack of quality control is a major drawback, according to one proponent, "because a few people believe you can always find a sucker when demand and prices are high to buy any quality of goods. A poor quality product then reflects on all products from that region — justly or unjustly — and damages trade prospects."

To improve the industry also the Maritime Provinces have set up loan boards for the purpose of granting long-term loans to "bona fide" fishermen for the purchase of new boats, engines and equipment. Modernization and mechanization of the industry was felt necessary in order to meet competition. By increasing the fishermen's catching efficiency it was felt that they would be better able to maintain their standard of living on a scale comparable with other occupations.

Lumber Industry's Problem

Another problem for Nova Scotia and New Brunswick exists in the lumber industry. This year the British have contracted for only around 60 million board feet of lumber as against about 325 million board feet last year and has resulted in a falling off in woods operations. The Maritimes lumber industry has always been largely geared to producing "rough" lumber for the British market.

The loss of this market will mean an increasing capital expenditure on planing or dressing mills and equipment in order to cater to the demands of other markets — particularly the U. S. market. Some of the larger operators have already added to their facilities, it is stated. Some smaller operators may be squeezed out in this move, it is feared.

In the lumber industry also there is a great need for institution of some system of grading or inspection of export shipments in order to protect the export markets from bad shipments and so improve the acceptability of Maritimes lumber in other markets.

A brighter picture is presented in the pulp and paper section of the Maritimes' forest industries. Production of pulpwood has shown a steady increase and is expected to rise further as the mills' capacities are increased and with the opening of the proposed new $65 million Maritime Pulp & Paper Co. mill.

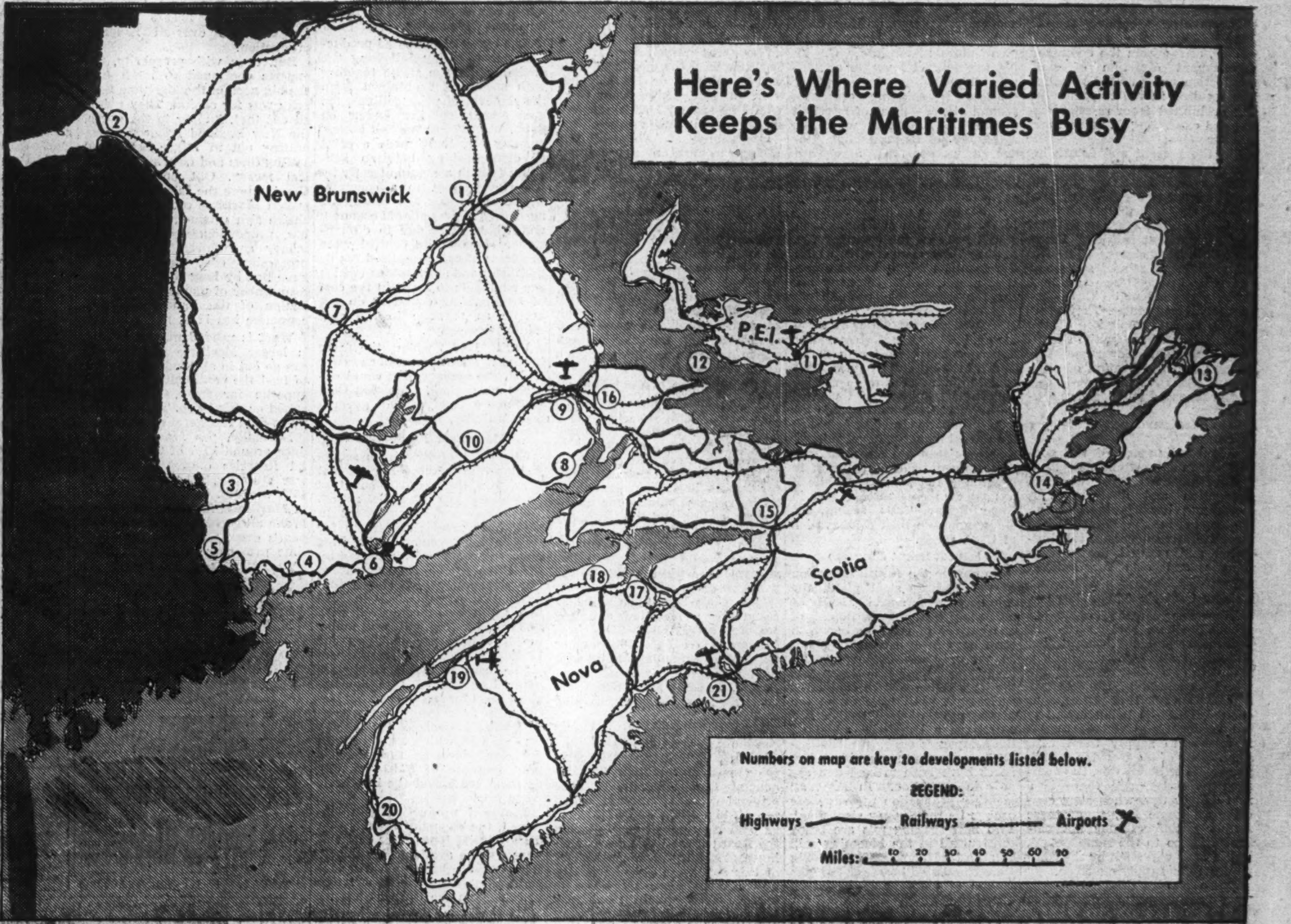
The British exchange situation, the factor which is behind the drastic cut in lumber contracts, also hit the Nova Scotia apple industry a hard blow. Britain did not take any apples this season. Consequently, instead of sitting back, the provincial and federal governments together with the growers have embarked on a big program of rehabilitation of orchards and their conversion to the dessert type apples which are acceptable in other markets. This is a double-barrelled program — complete replanting of some orchards, grafting in others.

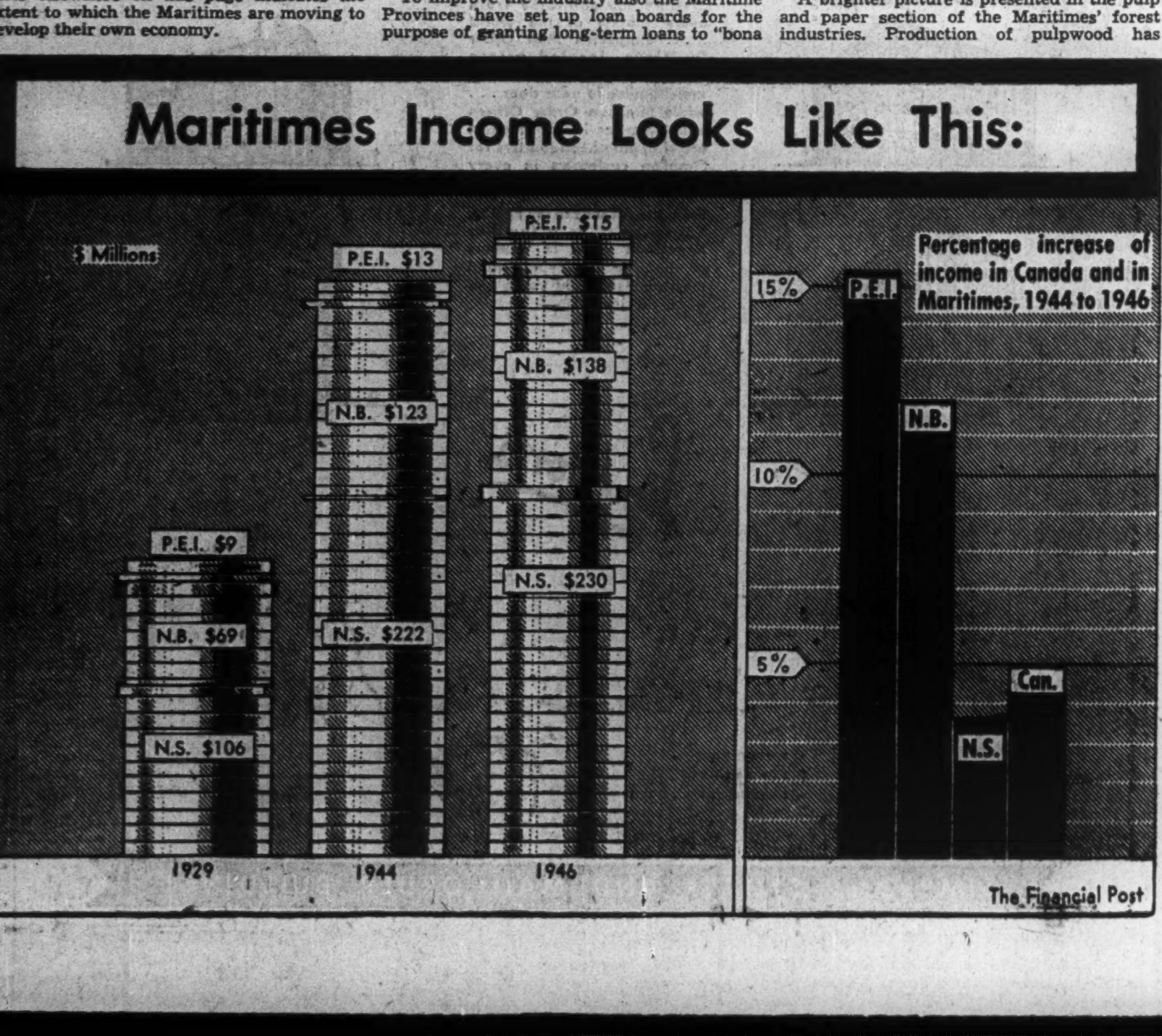
Generally speaking the cash income of Maritimes farmers was higher again in 1947 but the increase (3.2%) was lower than that for all Canada (13%). Prince Edward Island and New Brunswick showed farm cash incomes at all-time highs but that of Nova Scotia was down.

Farming is one of the fields in which the Maritimes fear the effect of the recent 21% increase in freight rates. It will increase production costs through increasing the price of goods purchased and lower cash income as prices will still have to be competitive with those in Central Canada, they agree. Other industries also will be affected similarly, e.g., spices, grocery products and confectionery industries. Representations to Ottawa have been made by the Maritime Premiers along with those from all other provinces except Ontario and Quebec, and a reply is being awaited.

In another big income field also the three Maritime provinces are actively engaged in development and promotion work. That is the tourist field or the travel industry. Last year the tourist trade went to new highs and this year is expected to be better again.

To improve the accessibility of the Maritime areas, each province has been spending large sums on roads programs. Nova Scotia has $15½ millions available for highways, bridges and ferries in 1948. Prince Edward Island has budgeted for capital expenditures in 1948 of $945,000 for highway construction and $140,000 for bridges. In its 1947 fiscal year New Brunswick spent $412,413 for permanent bridges, $4,211,134 for permanent roads and $6,768,377 for hard surface projects and has a large-scale program planned for this year.





Here Are Some Items on Maritimes Business Agenda

1. A new $4 million pulp mill of 120 tons daily capacity of unbleached sulphate pulp or kraft is being erected by Fraser Companies at Newcastle, N.B., to be in production in 1949.
2. Fraser Companies erecting a new bleaching plant at Edmundston, N.B.
3. Canada Metal Co. actively exploring antimony deposits near Lake George, N.B.
4. New $65 million newsprint and kraft pulp mill proposed by Maritime Pulp & Paper Mills Corp., a new company, at Lepreau, N.B.
5. Seaboard Chemicals, organized in 1947, is producing manganese sulphate and other manganese chemicals from bog manganese at St. Stephen, N.B.

   St. Stephen Woollen Mills started four months ago to produce knitting yarns and homespuns and is extending operations.
6. $3 millions being spent this year on a wharf reconstruction for Saint John harbor.
7. N. B. Power Commission building a new $500,000 head office in Fredericton, N.B. Its 16,400-kw steam-generating plant at Chatham will start operating late this summer and construction is proposed now of a new 13,000-kw plant probably at or near Dalhousie, N.B. Two 1,000-watt Diesel-engine-driven generators will be installed at Shippigan. A five-year $10 million program to extend transmission lines was started in 1947.
8. New New Brunswick park site to be developed by Dominion Government at cost of $500,000.
9. $4 millions industrial chemical development to produce superphosphates and cement near Weldon, N.B., by Atlantic Chemicals Co., a new all-Maritime company.
10. Shell Exploration New Brunswick Ltd. exploring for oil near Sussex, N.B.
11. Island Telephone Co. has $500,000 capital expenditures planned for 1948 which includes $178,000 for new dial exchange at Summerside, P.E.I.
12. About $60,000 to be spent by CNR on docking facilities for P.E.I. car ferry "Abegweit."
13. $4 millions is being spent by Dominion Steel & Coal Corp. replacing a battery of 53 coke ovens at Sydney, N.S.

    A substantial sum will be spent by Dosco subsidiaries in mechanization of coal mines when agreement reached with Ottawa on plans. (First plan is said to have called for $15 millions expenditure.)
14. Construction of a bridge or causeway across the Strait of Canso is again under consideration.
15. Construction of $50,000 addition to Lewis Ltd. plant, Truro, N.S., recently completed and operations starting in it.

    Construction of a $500,000 hotel at Truro, N.S., under consideration.

    Another knitting mill for Colchester County is reported under consideration with land already purchased.
16. Bendix Home Appliances Inc. is establishing a Canadian branch plant at Amherst, N.S., which is expected to employ about 700.
17. $300,000 capital expenditures planned for 1948 by Minas Basin Pulp & Power Co., Hantsport, N.S.

    Nova Scotia Light & Power Co. expects completion this August of 4,600-hp hydro-electric plant in Methals Brook (Avon River system) and construction of a 4,500-hp hydro-electric plant in 1949 to double its capacity on Black River.
18. Construction of additional cold storage facilities for apples at Coldbrook, N.S.

    Rehabilitation program for Annapolis Valley orchards started this spring.
19. Nova Scotia Power Commission has commenced this month construction of a 9,000-kw hydro-electric generating station on the Mersey River near Deep Brook to be completed by October, 1949. Cost is estimated at $1,750,000.
20. $750,000 to be spent on construction of a 4,000-kw hydro-electric generating station by Nova Scotia Power Commission on the Tresquat River near Yarmouth.
21. Nova Scotia Light & Power Co. has $2½ million program of replacing the tramway system in Halifax by modern trolley coaches, and is also doing preparatory work on installation of a 20,000-kw steam plant for Halifax.

    $3 millions is being spent for renewing Pier 3 in Halifax harbor and $750,000 for a new shed on Pier 26.

    Maritime Telegraph & Telephone Co. has budgeted for $3.6 millions capital expenditures for 1948.

    Halifax Shipyards, Ltd. is working on a $7 millions Argentine contract for the construction of three 3,100-metric ton passenger vessels.

    Moirs Ltd. is spending $200,000 on new equipment to complete its $600,000 modernization program started at the end of the war.

    Canada Dry Ginger Ale Ltd. plans to open a plant in the Maritimes this year, with Halifax mentioned as one site being considered.

Dosco's Problems and Outlook

Here's Analysis of Steel and Coal Empire

What is the outlook for the Dosco empire? That is a question Maritimers and many other Canadians have been asking. By far the largest industrial enterprise in the Maritimes, the welfare of Dominion Steel & Coal Corp. and its subsidiaries is vital to business activity there.

What are the special problems facing its steel and coal divisions?

In its steel activities, Dosco's big problem, the management claims, arises from the continued government direction of steel production and distribution which has resulted in the company being prohibited from re-establishing and expanding its normal and prewar markets.

"In the present and future interests of the employees and the industry it is necessary that we be permitted to regulate our production and re-establish and expand our normal markets without any government subsidy," President C. B. Lang states.

For its coal mines, successful operation in the future is almost entirely dependent on three factors, Mr. Lang states. They are:

(1) Early completion of the installation of mechanized loading equipment. Government requests for modification of company plans has delayed this program and discussions are continuing.

(2) Maximum production per man-day.

(3) Continuance of the government's subvention policy.

Government control of steel production and distribution is continuing because there is no abatement in the demands for steel for reconstruction, rehabilitation and general purposes in Canada and also for indirect exports.

How Controls Affect Dosco

In prewar years, 55% of Dosco's production was sold in the export market, mainly in the United Kingdom, although sales were made also to other parts of the world excluding the United States. As a result of government control, Dosco is being forced to tell its former customers that it is unable to supply them with steel. Many of these customers are rather bitter about this, the management states, and there is a real danger that when steel conditions become less tight, these former customers may not patronize Dosco to the same extent, but instead will stick by the companies now supplying them.

Dosco is also directed by the Government to supply a "substantial quantity" of semi-finished steel to other Canadian steel companies. This has been the principal reason for the inability of its own steel converting facilities to operate at capacity, Mr. Lang has stated. Further, steel produced in Sydney is being sent to the Steel Co. of Canada where it is processed and sold to their customers thus permitting them to re-establish and expand their own normal markets, C. M. Ansons, general manager at Sydney, states.

Dosco is shipping currently around 10,000 tons of steel a month to Hamilton which is about 20% of its production. Under a government agreement which went into effect for Dosco Jan. 1, Dosco is eligible for a government subvention paid "in recognition of the adverse effect the direction and regulations would have on the company . . . neither fully compensates us for the earnings which would otherwise accrue to the company nor for the unenviable position we will occupy with our customers when the present policy is terminated," Mr. Lang states. The company has consistently maintained the position since 1945 that it did not desire to receive government subsidy, but wanted to be permitted to regulate its own production and re-establish its normal markets, he added.

Dosco's iron ore and limestone comes from its own deposits in Newfoundland by water while it has its own coal mines right in Cape Briton, thus aiding the Government in their conservation of U. S. funds.

Improvement Program

To ensure the future operation of the Sydney steel plant, the company will spend about $4 millions for the replacement of one battery of coke ovens which have been in operation for about 30 years. Construction has already started and it is hoped that the installation will be completed early next year. The ovens are of the most modern design and will have a beneficial effect on the company's costs.

The company's three blast furnaces have been relined and are now in operation. In May, all monthly production records were broken by the Sydney steel plant. Two new soaking pits are being constructed in the blooming mill at a cost of about $500,000. Six were completed last year to make a total of eight new pits which it is expected will improve efficiency and lower costs.

The company's ingot production for 1947 totaled 589,489 tons. Production of the Sydney steel plant was adversely affected by about 27,360 tons in 1947 owing to a strike in the company's coal mines.

A wage increase of about 6% became effective at the Sydney steel plant on Oct. 1, 1947, and a further wage increase of 11½c an hour was granted April 1, 1948, resulting in a common labor rate of 94c an hour or 116% higher than in 1939. Altogether there would be around 5,000 employees on the steel plants' payrolls.

Operations at Wabana Ore Mines continued at approximate capacity throughout 1947 and 605,936 tons were shipped to England, leaving in stockpile about 183,750 tons of the total for which the company's British customers had contracted and which it was impossible for them to transport owing to shipping difficulties. Payment for the ore in storage was made, however, in accordance with the terms of the contract. Negotiations have been completed for the sale of ore which will assure full operation of the mines this year.

Mechanization of Coal Mines

At the annual meeting of the Dominion Coal Co. this year President C. B. Lang revealed that the company, in response to a government suggestion, on Nov. 13, 1947, submitted detailed plans for the further mechanization of its mines, particularly for mechanized loading and the necessary coal washing equipment, covering a five-year program. Estimated savings would permit complete repayment within eight to 10 years, he added.

The Government on Jan. 31 asked for a modified and less comprehensive plan. This was forwarded on Feb. 18 together with a memorandum stating why such a procedure was not practicable. In early May another request for a further modified plan was received.

Informal discussions are still continuing and the Dominion Government Coal Board is gathering more information, The Financial Post understands. The original company request called for a $15 million expenditure to be paid back out of earnings, but the Board turned this down feeling that mechanization programs of this sort were very hazardous unless done piece by piece to avoid investment in machinery which might subsequently prove quite unsuitable except in individual circumstances, The Post understands.

Dominion Coal have also entered into an agreement with the Joy Manufacturing Co. of Pittsburg, whereby they will jointly endeavor to engineer and produce the mechanized mining and loading machine suitable for use at Dominion Coal's mines.

Actual construction of this new machinery is expected to be done under Joy patents by Trenton Industries Ltd., a subsidiary of Nova Scotia Steel & Coal which is itself a Dosco subsidiary and which also owns two coal subsidiaries. Large-scale production of this new type of continuous coal mining machinery, provided its operation proves successful, will be developed for the Canadian and export markets after the requirements of the Nova Scotia mines have been met, it is expected.

Other Operations Mechanized

To counteract the general impression that its mines have not been mechanized, Mr. Lang stated at the last annual meeting that apart from mechanized loading machines, Dominion Coal's mines were "substantially well mechanized." The new machine, however, will completely mechanize operations on the face of the mine as it will cut the coal from the seam, gather it up and load it on the conveying belt. This new machine was developed by Joy last year and is said to be the most revolutionary development for coal mining of recent years.

It will have to be adapted for use in the Nova Scotia mines because of the special problems there, The Post understands.

Production of Dominion Coal in 1947 was only 2,526,208 tons due to shortage of qualified miners during the early part of the year followed by a strike which completely closed all mines for about 3½ months.

As a result of increased production per man-day following the settlement of the strike together with some relief obtained from the removal of price ceilings, the government subsidy ended on Sept. 30, 1947. At the last annual meeting Mr. Lang made a point of distinguishing between subsidies (which are paid directly by the Government to a company whose operations are considered necessary in the national economy and whose costs due to circumstances beyond its control were in excess of prices realized for its products) and subventions (which are payments to assist in the cost of transporting coal and do not accrue as revenue to the coal mining company).

Until 1942, when the war brought about conditions over which the management could exercise no control, Dominion Coal had never received any government subsidy, he stated.

Manpower Production

One point of the strike settlement with the coal miners last year was the requirement that production per man be raised. There was an improvement in 1947, but there is still room for further improvement, The Post understands. This is indicated by the Nova Scotia Department of Mines' report which shows that production per man-day in 1947 was 1.91 tons as compared with 1.63 tons for 1946, still well under the 2.28 tons per man-day for 1939.

The contract with employees expired on Jan. 31, 1948, and negotiations for new contract resulted in an arrangement whereby a wage increase of 40c per day was granted which together with previous increases represents a total increase of $3.93 per day or about 106% over the 1939 basic wage rate.

Provided production is maintained, the company expects that a substantial tonnage of coal this year will be available for the St. Lawrence market which will substantially reduce the importation of coal from the United States.

Dosco's Finances

From a financial standpoint it is difficult to assess the Dosco setup.

The Dominion Steel & Coal Corp. annual report consolidated the activities of the company and 18 subsidiaries but does not include the assets and liabilities of Nova Scotia Steel & Coal Co. and Dominion Coal Co. and their respective subsidiaries.

The 18 subsidiaries included are Dominion Shipping Co., James Pender & Co., Halifax Shipyards Ltd., Seaboard Power Corp., Canadian Tube & Steel Products Ltd., Peck Rolling Mills Ltd., St. Lawrence Wire Co., Security Fence Co., Sydney Lumber Co., Sarnia Fence Co. (1939), Canadian Bridge Co., Essex Terminal Railway Co., Canadian Steel Lands Ltd., Canadian Bridge Engineering Co., Canadian Transmission Tower Co., Canadian Steel & Wire Co., Canadian Steel Corp., and Graham Nail & Wire Products Ltd.

This report shows total assets of $67.2 millions after deduction of a reserve for depreciation of $29.7 millions from a total plant account of $58.6 millions. It also shows a net profit for 1947 of $1,785,207 which is equivalent to $1.72 a Class B share.

This annual report also includes a separate statement for Nova Scotia Steel & Coal Co. which consolidated its six subsidiaries, namely, Trenton Steel Works Ltd., Trenton Industries Ltd., Old Sydney Collieries Ltd., Acadia Coal Co., Scotia Rolling Stock Co., and Eastern Car Co. The parent company owns all the common shares of this company and in addition $6,917,500 of its 6% debentures. Nova Scotia Steel's annual report showed total assets of $24.4 millions at Dec. 31, 1947, after a reserve for depreciation of $8.3 millions had been deducted from the total properties account of $22.4 millions. Its net profit for 1947 is shown at $453,854. No comments on the activities of this company are given share holders of Dosco.

The Dominion Coal Co. annual report includes figures for its four subsidiaries, namely, Sydney & Louisburg Railway Co., Dominion Rolling Stock Co., Cumberland Railway & Coal Co., and Dominion Coal Import Co. It showed total assets of $30 millions at Dec. 31, 1947, after a reserve for depreciation of $22.1 millions had been deducted from the total properties account of $41 millions. Its 1947 profits amounted to $47,041.

One analyst has estimated that a consolidation of the Dominion Steel & Coal Co. and all its subsidiaries would show total assets of $115.6 millions after a reserve for depreciation of $60.8 millions had been deducted from total fixed assets amounting to $122.7 millions. This analyst also calculates that the combined net profit from operations applicable to Dosco common would amount to $2 a share.

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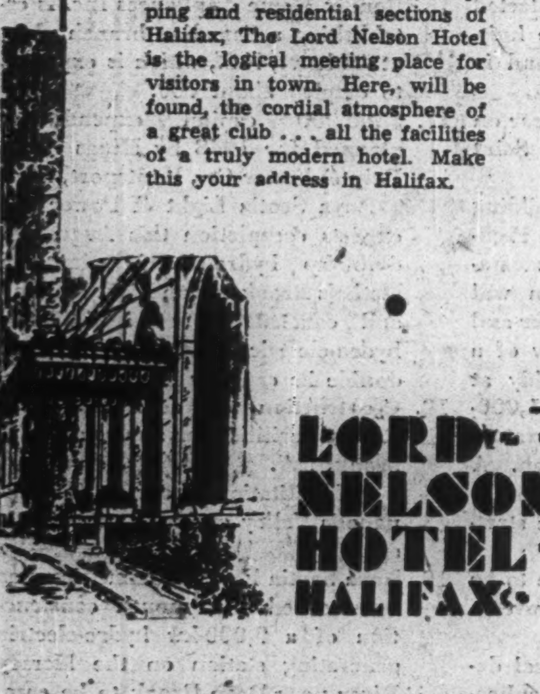

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Bigger Boats, Better Facilities Need of Maritimers' Fisheries

The past few years have brought conditions under which the Maritime fisherman has been able to go a long way in rehabilitating himself — increased demand, lessened competition, increasing purchasing power in markets which had formerly been depressed, undersupply and high prices.

By 1945, for instance, the value of fisheries production in the Maritimes had increased 196% over 1938's depressed levels — compared with 139.9% increase for Canada's over-all fisheries production.

But, even with prosperity, the experts continued to insist that the big need of the Maritime fisheries was for capital. They pointed out that, further to the south, the New England fisherman was putting out in larger boats and setting lines and nets by mechanical means. Out on the West Coast, where the salmon long ago ousted Maritime cod as Canada's choice fish product, the industry has, proportionately, used more money and fewer men. In the processing end, the Maritimes have had by long odds the greatest number of plants, but capitalization of the individual B. C. canneries has been much higher.

What is needed now, it is said, is larger Maritime boats which can go out in all kinds of weather to feed the continent's increasing appetite for fresh, rather than salted or dried fish. This involves up-to-date refrigeration as well.

Normally, the Maritimes produce around 37% of Canada's total fisheries output. Under the war stimulus, this ratio rose to 45% in 1944. In 1946, the value of Maritimes fisheries production broke all records. Then came last year's drop, which hit the Maritime provinces as follows:

	1946	1947
Weight of catch	cwt.	cwt.
P. E. I.	453,154	379,051
N. S.	3,970,700	2,954,600
N. B.	2,260,924	2.142,939
TOTAL	6,684,778	5,476,590
Value "As Landed"	1946 $	1947 $
P. E. I.	3,086,721	1,880,089
N. S.	19,094,452	13,472,839
N. B.	7,179,128	5,674,300
TOTAL	29,357,301	21,027,228
Value "As Marketed"	1946 $	(Est.) 1947 $
P. E. I.	4,470,877	2,500,000
N. S.	34,270,761	22,900,000
N. B.	16,422,201	12,800,000
TOTAL	55,163,839	38,200,000

A glance at the type of fish brought home in the various provinces shows the cod is, by long odds, King of the Nova Scotia fisheries. In 1946, for example, Nova Scotia cod alone had a value "as marketed" of $14.8 millions, which is a long stride ahead of lobsters, with $6.5 millions; haddock, $2.4 millions; and herring, $2.2 millions.

In New Brunswick, it's the lobster which bulks largest in overall production figures. Marketed, the lobsters had a value of $4.6 millions in 1946, paced closely by the wee sardine at $4.1 millions. Herring were worth $2.9 millions, while cod followed with $1.4 millions.

Proportionately, the lobster is even more important to Prince Edward Island where it had a marketed value of $2.4 millions in 1946. It was followed by hake ($513,000); cod ($461,507); and makerel ($248,000).

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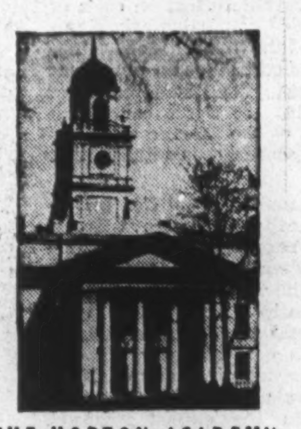

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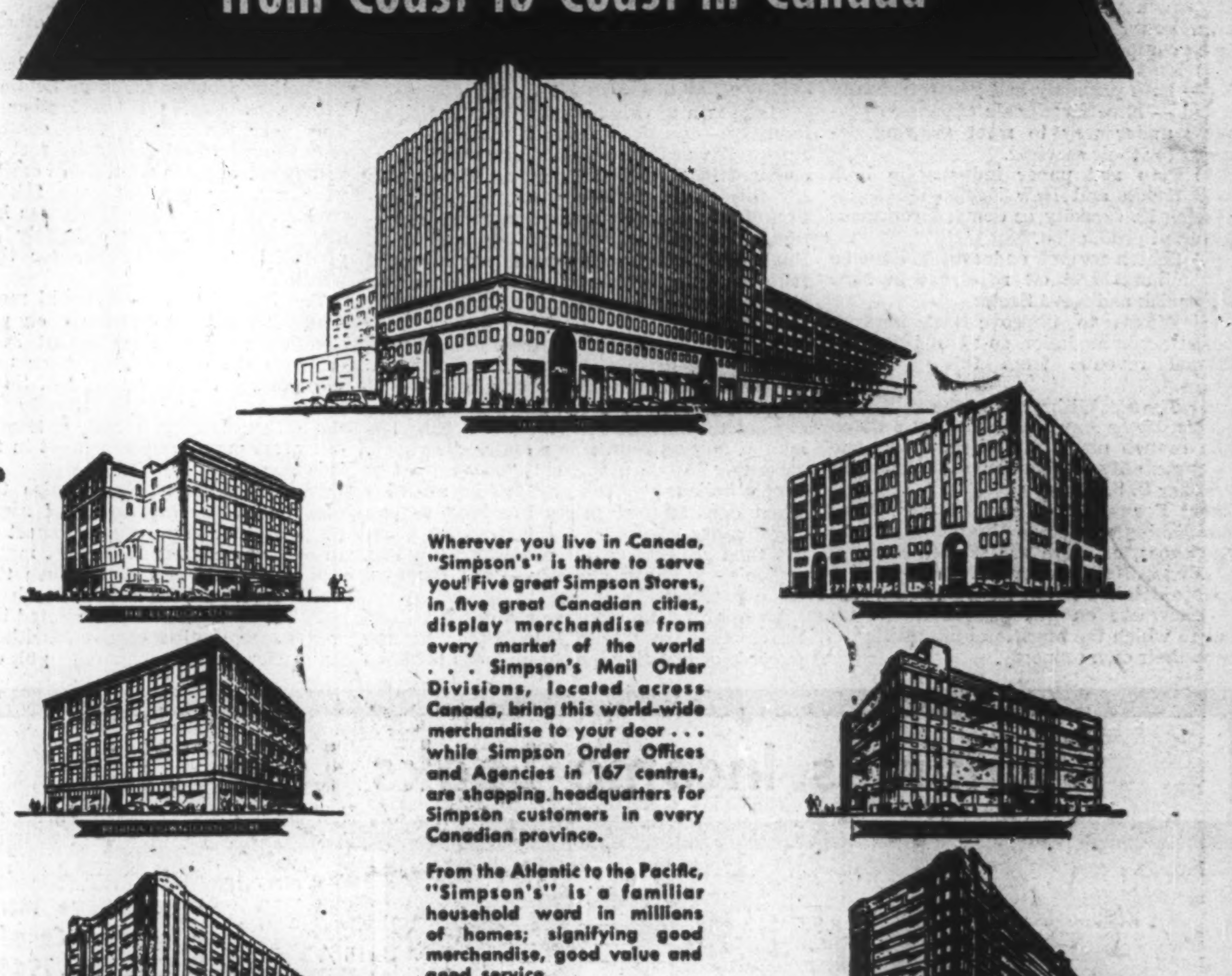

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SIMPSON'S STORES AND MAIL ORDER BUILDINGS

Spending on Highways Raises Debt in P.E.I.

Current revenues of Prince Edward Island continued to mount in the fiscal year ending March 31, 1948, but were outpaced by the rise in current expenditures. Consequently the current account surplus is estimated at $401,000 for the year as against a budget forecast of $665,000.

Current revenue is estimated at $5,164,000 for the year ending March 31, 1948 — a new all-time high and up $495,000 from the budget estimate. However, current expenditures were $748,000 above the budget forecast to an estimated total of $4,763,000.

For the current fiscal year ending March 31, 1948, Premier J. Walter Jones, who has also been provincial treasurer since the resignation of William Hughes earlier this year, is budgeting for current revenues of $5,074,000 ($90,000 lower than in the previous year) and for current expenditures of $5,038,000 ($275,000 higher than for 1947-48). This will produce a smaller surplus of $36,000 on current account. This is after the inclusion of expenditures of $384,000 for debt redemption and sinking fund.

In the budget speech last March Premier Jones warned that the cost of government had become exorbitant and "must be held down." Referring to overspending in certain departments, Mr. Jones stated, "When a minister has come up to his appropriation he is not going to be permitted to spend one cent more without coming to the Government for permission by order-in-council. I hope that will do something to check the tendency of departments to run wild on their estimates, as they have done in this last year."

The Government finds it "extremely hard" to balance the budget on ordinary account this year, the Premier confessed.

Debt Increases

Despite the current account surplus, net funded and unfunded debt of Prince Edward Island will show a jump for the past fiscal year due to capital expenditures mainly on public highways—indicating a reversal of the downtrend which was noticed up to March 31, 1946.

Net funded and unfunded debt is estimated at $12,315,000 at Feb. 1, 1948, but is expected to show slightly lower at the end of the fiscal year. This figure is up $1,951,000 or 18.8% from its level of $10,634,000 at March 31, 1947, and is 39.8% above its level of $8,808,000 at Dec. 31, 1939.

*15 months to March 31, 1944 Feb. 1 Est. Budget

Gross funded debt of $10,973,000 at Feb. 1, 1948, is slightly lower than its level of $11,533,000 at Mar. 31, 1947. The whole of the increase in debt is in unfunded debt. The bank overdraft was $2,556,000 at Feb. 1, 1948 ($5,000 at March 31, 1948) and loans on deposit amounted to $1,581,000 ($1,750,000). Its floating debt of $4,137,000 is now larger than it was at the start of the war ($3,089,000 at Dec. 31, 1939). This would indicate the possibility of some new financing for Prince Edward Island if market conditions are favorable.

Reflecting the general change in interest rates to a higher level, the cost of financing for P. E. I. has risen. This is illustrated by the recent sale of a new $2 million 3% bond issue, dated May 1, 1948, at a cost to the province of 3.22%. It consisted of $1 million seven-year bonds which were offered to the public at $99¾ to yield 3.04% and $1 million 10-year bonds which were offered to the public at $98½ to yield 3.18%. Just a year previously a new issue of $1 million 2¾% debentures, dated May 15, 1947, and due May 15, 1960, were sold to the public at $100.85 to yield about 2.67%.

Reflecting the province's improved financial position, its credit is still better than in the early war years. For example, in October, 1940, P. E. I. 4% bonds were offered at $99.

As a result of refunding at lower coupon rates the average coupon rate on P. E. I.'s bonded debt has been cut 16.9% since 1939 and was cut 8.6% in the last fiscal year when $1 million 6% bonds issued in 1932 were paid off. The average coupon rate on bonded debt was 3.29% at March 31, 1948, as compared with 3.60% at March 31, 1947, and 3.96% at Dec. 31, 1939.

The present net debt burden of about $131.25 per capita on the basis of an estimated 94,000 population compares with about $113.25 per capita at March 31, 1947, and with about $92.80 per capita at Dec. 31, 1939, on the basis of the 1941 census population of 95,000. Details of the changes in debt position for the last three years are shown in the accompanying table.

Estimated current revenue of $5,074,000 for the fiscal year ending March 31, 1949, is down slightly from the $5,164,000 total revenue forecast for the 1947-48 fiscal year. But it is still nearly 2½ times the comparable figure of $2,042,000 for the fiscal year ending Dec. 31, 1939. About 69% of this increase has occurred since March 31, 1946, and the large part of it reflects the increase in the Dominion Government subsidies. Details of current revenue, current expenditures and the yearly surplus or deficit for the 1946 and subsequent fiscal periods are shown in the accompanying table.

Nearly 46% of the estimated revenue for the fiscal year ending March 31, 1949, comes from Dominion subsidies. Under the latest Dominion-provincial tax agreement the province will vacate the field of personal income tax, corporation income tax and corporation taxes for a period of five years to March 31, 1952, in return for a minimum annual payment by the Dominion of $2,100,000, which includes statutory subsidies. The guaranteed minimum payment is geared to "gross national product" and it is anticipated that the result will mean at least an additional $185,000. Under the Wartime Tax Agreement which expired Dec. 31, 1946, the province received $1,074,000 annually.

Net capital expenditures for the fiscal year ending March 31, 1949, are estimated at $1,753,700. The principal items here are $945,000 for highway construction together with $140,000 for bridges.

The sum of $100,000 is provided for tourist accommodation loan fund—a similar sum having been provided in the previous year.

Prince Edward Island's Finances

REVENUE AND EXPENDITURE
(Thousands of Dollars)

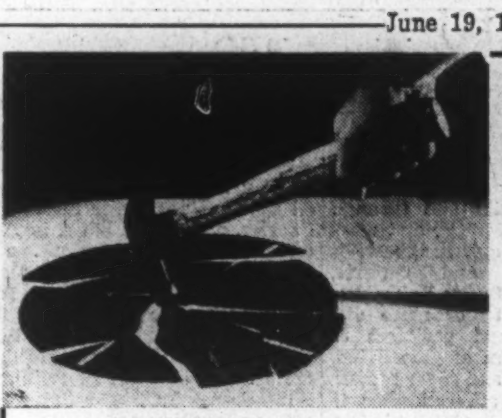
	Years Ended Mar. 31 1946	1947	Forecast 1948	Budget 1949
Current Revenue:				
Dominion subsidies	1,064	1,450	2,283	2,325
Taxation:				
Real and personal property	91	119	110	25
Corporations	....	....	....	....
Gasoline	463	594	852	825
Succession duties	109	93	58	18
Other taxes	260	310	305	266
Motor licenses	177	200	220	220
Liquor profits	368	597	614	550
Other revenue	460	591	722	845
Total	2,992	3,954	5,164	5,074
Current Expenditures:				
Public debt charges	801	778	778	883
Education	469	495	670	814
Agriculture	60	158	176	180
Health & welfare	838	991	1,365	1,690
Highways, bridges, ferries, etc.	700	866	1,077	822
Other expenditures	424	525	697	649
	3,292	3,813	4,763	5,038
Surplus: Current Account (*Deficit)	300*	141	401	36
Current Account Surplus before debt redemption and sinking fund	18	464	731	420

Dominion Subsidies—Included in the years 1946 and 1947 is the subvention received pursuant to the Dominion-Provincial Agreement 1942. The Budget for 1948-9 includes the amount estimated under the 1947 Agreement.

Other Expenditures—includes administration of justice, tourist promotion, legislation and general government.

DEBT POSITION
(Thousands of Dollars)

	Mar. 31, 1946	Mar. 31, 1947	Feb. 1, 1948
Gross funded debt	10,023	11,533	10,973
Unfunded Debt:			
Bank overdrafts	1,307	5	2,556
Loans on deposit	1,447	1,750	1,581
	2,817	1,755	4,137
Gross funded and unfunded debt	12,840	13,288	15,110
Less sinking fund	2,418	2,654	2,795
Net Funded and Unfunded Debt	10,422	10,634	12,315
Contingent liabilities	137	132	122



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$6.5 Millions in Maritimes Railways Budget for 1948

Canada's two railways play an important part in the economic life of the three Maritime provinces. Together the two systems will spend nearly $6.5 millions on capital expenditures this year.

Canadian National Railways estimates total capital expenditures of $4,394,696 for 1948. This will include $59,770 to be spent on docking facilities for the Prince Edward Island car ferry Abegweit, operated in C.N.R. service; the laying of 164 miles of new and relay rail; 1,051,510 tie plates; 333,969 rail anchors; 324,000 cubic yards of ballast; placement of 407,565 cubic yards of ballast for widening fills; ditching; drainage and sewage on the main line tracks yard tracks and sidings, totaling $3,049,332.

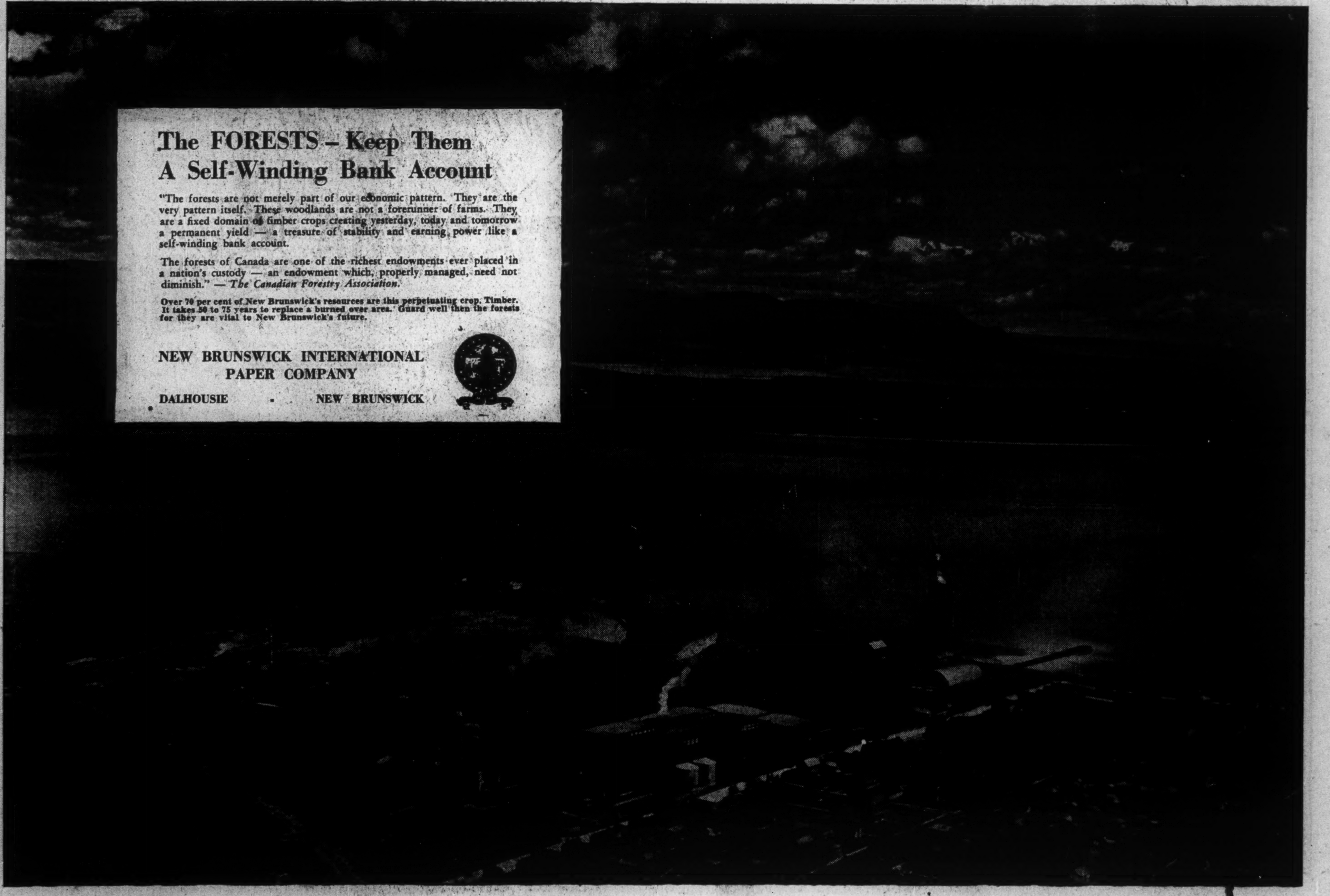
Purchase of roadway machines, strengthening and replacing bridges, trestles and culverts, installation of highway crossing protection and construction of stations and other station water supply facilities, will cost $475,644. Changes in shops, engine houses and machiners; installation of signal interlockers, and other improvements, will total $869,720.

CPR Program

CPR will spend $2,081,000 in improving Maritime equipment and property. Of that total, $1,483,829 will be spent in New Brunswick, more than $500,000 to replace rail, and the rest on ballasting tie plates, rail anchors, extension of black signal systems and improvements to a dam at St. Andrew's, which controls the Algonquin Inn bathing facilities.

In Nova Scotia, CPR will spend $598,000 for this type of work, part of it in modernizing the Yarmouth station. The exterior will feature low sweeping lines used in modern station construction. Public rooms will be trimmed with birch plywood, have terrazzo floors, and furniture will be of simulated leather with chrome trim. At Halifax $308,000 has been allotted for the purchase of the former Y.M.C.A. building on Barrington St. and its remodelling for company use.

In 1947 CPR left $8,698,104 in the Maritimes in payrolls alone. This was the total paid in wages to the 3,054 employees of the New Brunswick district of the parent company and the 904 employees of the Dominion Atlantic. Purchases of materials and outside services in the Maritimes for the same period by CPR totaled $5,549,944 which included a $2,722,163 order from Eastern Car at New Glasgow. In January, of this year orders valued at $7,650,990 were placed with that company.



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Manager

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Industry in the Maritimes

Acadia Atlantic

Engaged directly and through subsidiaries in refining and marketing of cane sugar in the Maritimes, Quebec and Ontario, Acadia-Atlantic Sugar Refineries, produces some 50 or more different grades and packages of sugar in the form of granulated, brown and icing and sugar syrups. Combined sales are estimated to represent between 35% and 40% of total consumption in area served.

Sole refining operations are carried on by the wholly owned subsidiary, Atlantic Sugar Refineries, in plant at Saint John, N.B., which has a capacity of 1.3 million pounds per day. The plant is on the Saint John harbor and has open navigation with access to raw materials. The product is marketed under the trade name "Lantic Sugar." The refining plant at Woodside on the Halifax harbor, formerly operated by Acadia-Atlantic Sugar Refineries, was closed down in 1942 due to wartime conditions. The company has no immediate plans for re-opening the plant at the present time as the Saint John refinery is capable of handling production for present requirements. The other subsidiary, Atlantic-Acadia Sugar Sales Co., acts as a selling agent.

President P. R. Gardiner stated in 1948 annual report that directors hesitated to attempt a forecast for 1948 in face of economic dislocation throughout the world and the inescapable involvement therein of sugar. Rationing of sugar was withdrawn on Nov.1, 1947, and while price control was continued, purchasing ceased to be under restraint as to quantity.

Consolidated net earnings in 1947 totaled $1,030,850 ($1,112,-666 in 1946). After deducting depreciation charges, bond interest and taxes, the net 1947 profit was $424,891 ($452,593 in 1946). Earnings were equal to $1.37 per class A share, before participation in 1947 as against $1.51 in 1946. Common, after taking into consideration participation feature, earned 75c in 1947 as against $1.02 in 1946. Net working capital of $5,855,080 at end of 1947 was off slightly from $5,885,397 at end of previous year.

Bathurst P & P

Bathurst Power & Paper Co. is engaged in the manufacture of cylinder boards, including patent coated, bleached, manila, pulpboards, kraft lined boards, colored boards and screenings boards in the plant at Bathurst N.B. Subsidiaries manufacture corrugated shipping containers and similar products from kraft liner and corrugated board.

Output of kraft products and boxboards is sold principally in the domestic market and to the United Kingdom and Australia. Unbleached sulphite is sold in the United States with some sales to the domestic market and to the United Kingdom.

Sales of mill production totaled 110,858 tons and net dollar sales amounted to $12,589,806 in 1947 (122,359 tons and $11,753,-798 in 1946). Drop in production was due to failure of an electric generator in the steam power plant in September, but normal operations were resumed in November. Use and occupancy insurance covered the plant breakdown.

Mill production of the plant at Bathurst comprised: 75,472 tons of kraft products (liner and corrugating boards), 18,788 tons of unbleached sulphite and 16,598 tons of boxboards as against 77,-214, 24,393 and 20,752 tons in 1946. Demand for products in 1947 was in excess of supply.

Subsidiaries are: Bathurst Electric & Water Power Co., engaged in the distribution of electric power in the town of Bathurst and vicinity; Shipping Containers Ltd., engaged in the manufacture of corrugated shipping containers and similar products from kraft liner and corrugated boards at Montreal; Kraft Containers Ltd., engaged in the manufacture of corrugated shipping containers and similar products from kraft liner and corrugated boards at Hamilton, Ont.; Cascapedia Manufacturing & Trading Co., at Chaleurs, Que.

Capital expenditures on consolidated operations in 1947 totaled $588,244 and included additions to properties and represented a continuation of rehabilitation program undertaken in 1945. Delays in delivery of materials and equipment have carried the program along much longer than originally anticipated. Net 1947 earnings from consolidated operations totaled $2,896,094 ($2,327,-598 in 1946). Net profit was $1,301,476 against $996,319. Earnings, before participation, were equal to $3.25 on the class A in 1947 against $2.49 in 1946. After participation, class A earned $2.72 and class B 72 cents. Working capital of $3,362,301 was comparable to $3,286,165.

The upward trend of sales and profits has continued this year as demand has remained satisfactory and operations are being maintained on a capacity basis. Selling prices for major products have not been increased proportionately to advances which have occurred in general commodities, improvements in plant efficiencies having contributed substantially in meeting rising costs, President R. L. Weldon states.

The company sold $3.5 millions principal amount of first mortgage Series A bonds on Jan. 26, 1948, being part of an authorized issue of $10 millions. The issue comprised $800,000 in 3% serial bonds and $2,7 millions in 3¾% 20-year bonds. Out of proceeds $1,874,000 was applied in reduction of bank loans.

The company in the fall of 1947 entered a syndicate which was formed for purpose of endeavoring to purchase physical assets and rights of property formerly owned by Quebec Pulp & Paper Corp. in the province of Quebec. However, the deal was not consummated and the syndicate was dissolved.

Canada Veneers

Canada Veneers is engaged in the manufacture of high-grade birch veneers and barrel staves in its plant at Saint John, N.B. Forest requirements are drawn from yellow birch timber stands in close proximity to the plant.

During war years bulk of output was sold to the United Kingdom and, while veneers are still turned out by the company for that source, the domestic trade is taking a sizeable portion of company's production. Expanding use for plywoods in Canada necessitated plant being trebled since 1939. Capital stock, at last report, comprised $100,000 in 6% $10 cumulative preferred stock and 10,000 no par value common shares. Regular dividends have been paid on preferred shares.

Connors Bros.

Connors Bros., established in 1923, operates as packers of sardines, herrings, kippered snacks, and other sea foods at Black's Harbor, N.B. The company produces over 90% of the domestic sardines packed in Canada and as well as selling Dominion-wide there is a large export business.

Sales are made under the brand names "Glacier," "Brunswick," "Jutland," "Old Salt" and "Connors." The main plant is located at Black's Harbor and a branch factory at Freeport, N.S. Branch offices are located at Saint John, N.B., and Freeport, N.S. Sales representatives are maintained at Capetown, South Africa; Sydney, Australia; Georgetown, British Guiana; Hamilton, Bermuda; Johannesburg, South Africa, and in the Straits Settlements.

The No. 1 plant has a capacity of 2,000 cases a day and the No. 2 plant 1,000 cases. The plants are operated on an average of 150 days a season and an output of 450,000 cases is possible. Connors Bros. also operates its own canmaking plant and holds patents covering the special free key-opening can said to be popular with the trade. It also operates a fertilizer plant which uses the waste part of the fish.

The plant at Black's Harbor is located on an open port on the Atlantic seaboard and the harbor is adjacent to Passamoquody Bay, home of the sardine and the source from which the many factories at Eastport, Maine, draw the bulk of their supplies. Connors Bros. is well organized on the scene, having a large fleet of fast tank motor boats which gather in the fish from the weirs.

Financial or operating statements are not submitted for publication, but it is reported that the company represents a substantial investment, operating profitably and in 1947 paid total dividends of 30c per share. The entire authorized 475,000 n.p.v. class A shares and the authorized 25,000 n.p.v. class B shares are outstanding.

Enamel & Heating Prod.

Enamel & Heating Products operates plants at Sackville, N.B., and Amherst, N.S., which are engaged in the manufacturing of coal, wood and gas ranges, heating stoves, kitchen range oil burners, fireplace fixtures, hollowware, steam and hot water boilers, hot air furnaces, air-conditioning equipment, cast iron enamelled bath tubs, sinks, basins, sheet steel, etc. The plant at Victoria, B.C., manufactures some of the heavier lines of stoves. Sales are Dominion-wide as well as to the export trade, particularly in South Africa, Newfoundland and British West Indies, South America and Asiatic countries. Trade names are "Beaver Brand," "Fawcett" and "Cumberland."

Sales in 1947 increased 77%, occasioned somewhat by strikes in the steel plants in 1946 which enabled company to start 1947 with a large inventory and a huge backlog of orders. Sales in 1947 were nearly three and one half times as great as total sales in 1939. Increased earnings in 1947 were due to some considerable extent to sales of a new line of oil-burning units, orders for which had been carried over from 1946. In addition there was an increase in sales of all other lines of the company's products, as well as a satisfactory increase in export business.

Operating income in 1947 increased to $348,497 from $113,-976 in 1946. After adding other income, deducting operating and administrative charges, bond interest, taxes and other charges, the 1947 profit was $140,541, or equal to $4.76 per share ($26,622 and 90c in 1946).

In June, 1947, the company sold $300,000 in 4% first mortgage sinking fund bonds, due June 1, 1962, which partly reflected growth in working capital from $187,791 in 1946 to $645,730 at end of 1947.

Fraser Companies

Fraser Companies manufacture bleached and unbleached sulphite pulp, groundwood pulp, paperboard and lumber products and its subsidiaries manufacture bond and other specialty papers and bleached sulphite paper and dissolving pulps.

A new pulp mill with initial capacity of 120 tons daily of unbleached sulphate pulp or kraft is under construction at Newcastle, N.B., and a new bleaching plant is being erected at Edmundston, N.B. These operations are expected to commence some time next year.

A new production record was established in 1947, reflecting continued program of modernization and improvements. Demand for Fraser Companies' products was in excess of producing capacities.

Plant capacities of the company and its subsidiaries are: Edmundston, N.B.—high-grade unbleached sulphite pulp 105,000 tons annually, of which 80% is bleached; paperboard 20,000 tons and groundwood pulp 35,000 tons per annum. Madawaska—high-grade sulphite papers 75,000 tons and catalogue paper 42,000 tons per annum. Athol, N.B.—bleached sulphite pulp 60,000 tons per annum.

The company's properties include: a sulphite pulp mill, groundwood mill and paperboard mill at Edmundston, N.B.; two saw mills and one shingle mill in eastern Quebec and New Brunswick, both having planing mills in operation. Through ownership of Restigouche Co., the parent company controls a bleached sulphite mill with a daily capacity of 200 tons at Athol, N.B. Through the other wholly owned subsidiary, Fraser Paper Ltd., the company also controls a modern high-grade mill engaged in the manufacture of bond, catalogue and waxing papers at Madawaska, Me. The saw mills have a combined annual manufacturing capacity of approximately 25 million fbm of spruce lumber, in addition to shingles and railway ties.

Fraser Companies and its subsidiary Restigouche Co., own 1,665 sq. miles of freehold timberlands and control 3,828 sq. miles of Crown timber limits in New

(Continued on page 29)

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DEPARTMENT of TRADE and INDUSTRY
Hon. Harold Connolly, *Minister*
PROVINCIAL BLDG. — HALIFAX, NOVA SCOTIA

Industry in the Maritimes

(Continued from page 28)

Brunswick and the eastern part of the Province of Quebec.

Net earnings of $9,045,247 in 1947 were 58% above the previous year's record of $5,735,532. Net profit of $3,981,356 was more than double 1946 final income of $1,964,062. Earnings per share were $10.73 against $5.29. The annual dividend rate was increased to $3 per share with declaration of a quarterly payment of 75c on April 26, 1948. Previously the annual rate was $2. An extra dividend of 50c per share was also paid along with the regular quarterly dividend in April. Fraser Companies expended $4,479,000 on additions to plants and properties in 1947 and purchase of 103.5 sq. miles of New Brunswick Crown timber limits.

Ganong Bros.

Ganong Bros. manufactures high-grade chocolate candy of various types in its large plant at St. Stephen, N.B. Lifting of sugar rationing, improved supply of other raw materials and a more abundant supply of labor, have enabled the company to return to the broader range of chocolates manufactured in prewar years.

During the war period Ganong Bros. reduced its individual items from 762 to fewer than 100; the company would not use substitutes for prewar materials as it was felt it would jeopardize quality.

The company does not follow the practice of providing financial or operating statements for publication and details are not submitted on the corporate structure.

Lewis Ltd.

Lewis Ltd. is engaged in the manufacture of ladies' full-fashioned hosiery, men's hats and other textile items. Plants are located at Truro, N.S.

The company has just completed a new $500,000 addition to its plant which was started some two years ago. About 50% of the plant is operating by one shift with a second shift expected to start shortly. The combing and carding divisions of the business have been moved in to the new structure.

Lewis Ltd. has an agreement with Merimac Hat Co. (U. S. concern) whereby Merimac (Canada) Ltd. produces products of the American company in Canada. This latter company is understood to be jointly owned by the U. S. firm and Lewis Ltd.

Production of Lewis Ltd. is devoted largely to a wide variety of knitted goods, both cotton and woollen material for both men and women. Operation of the new addition on a capacity basis is expected to boost output materially.

Malagash Salt

Malagash Salt Co., New Glasgow, N.S., completed experimental work in the pilot plant during 1947 for the production of a fishery salt suitable to the east coast fishery. Approximately 1,500 tons of the new processed salt were produced and distributed to the trade.

General Manager J. L. Cavanagh stated that it is hoped that some arrangement can be made to provide a commercial plant to produce the salt—as the potential market for the east coast, Canadian and Newfoundland fisheries, amounts to approximately 100,000 tons annually. Process used consists of purifying the mined rock salt by flotation—fusing the purified fine salt in a furnace, melted, then cast in blocks, cooled and crushed to sizes required by the fishery trades. The resulting product is practically a chemical pure rock salt, Mr. Cavanagh points out.

Malagash Salt Co. holds large freehold lands and owns outright nine sq. miles of land at Malagash on all of which it enjoys exclusive rights to mine salt and associated minerals. The company markets leading types of salt and it is stated that its products compare favorably in quality and cost to others on the market. Salt production has been running in excess of 35,000 tons annually.

The company was originally founded in 1917 by Messrs. A. R. Chambers and George W. McKay, who invested capital to the extent of $97,000. Development was carried forward until 1924 when their interest was taken over by the Malagash Salt Products Co., and new capital of $175,800 was brought in. Malagash Salt Co. was incorporated in 1927 to take over the predecessor concern.

Financial or operating statements are not submitted for publication and at last report $21,000 in 6½% $100 preferred shares and 12,854 npv common shares were outstanding. There is funded indebtedness.

Mar. Industries Ltd.

Maritime Industries Ltd., a wholly owned subsidiary of Standard Chemical Co., brought its modern salt manufacturing plant into production in March, 1947. Sales increased steadily from the outset and production made rapid strides toward capacity of 54,000 tons of evaporated salt annually.

The plant is located at Nappan, N.S., on the outskirts of Amherst and the salt beds, 1,000 feet under the plant, have an estimated thickness of 6,000 feet — enough to take care of Canada's entire demand for several generations. The plant incorporates the last word in processing refinements and, from no stage, from mine to consumer, is the salt touched by hands. A sizeable portion of the company's market is located in the Maritimes and eastern Quebec.

Individual financial and operating statements are not submitted for publication on this underlying unit of Standard Chemical Company. The parent company reported retained net profit of $370,337 in fiscal year ended March 31, 1947 ($263,194 in year ended March 31, 1946).

Marven's Ltd.

Marven's Ltd. before 1936 was part of the Canada Biscuit Co., but was purchased at that time by Maritime interests and reverted to a wholly owned and controlled Maritime company.

Marven's Ltd. is engaged in the manufacture of biscuits at Moncton, N.B., and sells from coast to coast such products as shortbreads, sodas and malted milk lunch biscuits, Scotch-style oatcakes, etc. Shipments to Newfoundland and the British West Indies are steadily increasing and large quantities of biscuits are shipped to those points.

It is understood that company's operations in 1947 were satisfactory and that sales and profits in the first quarter of 1948 were considerably in excess of the previous year. Branch offices are maintained at Halifax, N.S., Saint John, N.B., and Montreal, Que.

Mersey Paper

Mersey Paper Co. owns and operates a newsprint mill at Brooklyn, on Liverpool Harbor, which has necessary groundwood and sulphite equipment and a complete unit for the manufacture of 100,000 tons per annum of newsprint.

The plants comprise: a groundwood mill; a three-digester tower system sulphite mill; a paper mill containing two high-speed paper machines capable of providing 320 tons of newsprint daily. Pulpwood supply is drawn from the company's own freehold timber limits, estimated to contain approximately 1.8 million cords of pulpwood, with an additional supply estimated at 1.5 million cords to be made available over a 30-year period through licenses on Crown lands to be selected by the company under agreement with the Nova Scotia Government. The company is also in a position to purchase pulpwood from the supply available annually from local farmers and jobbers.

Mersey Paper Co. owns three steamships, the Markland, an oil-burning vessel of 4,100 tons, the Liverpool Rover and the Liverpool Loyalist.

Net 1947 profits totaled $1,557,000 as against $853,040 in 1946. During the year the company retired $400,000 in first mortgage bonds and contracted to purchase $2.5 millions in freehold timber lands. To finance part of the cost the company plans issuing $1.2 millions in first mortgage bonds July 1, 1948.

Minas Basin P & P

Minas Basin Pulp & Power Co. is engaged in the manufacture of groundwood pulp and paperboard as well as producing lumber. The plant at Hantsport, N.S., has a 24-hour per day capacity of 90 air dry tons of groundwood pulp and the paperboard mill, which commenced operating Jan. 1, 1948, has a capacity of 20 tons.

The company sells the major portion of its groundwood pulp to Scott Paper Co. in the United States and exports lumber in considerable quantities. It owns approximately 160,000 acres of timberland and operates two power plants on the St. Croix River, capacity 7,100 hp.

Capital expenditures this year are expected to run about $300,000 which will be financed through proposed sale of $300,000 in 4½% 30-year first mortgage bonds. Dryers are to be added to the board mill to increase capacity from present 20 tons to 40 tons daily. Other construction jobs include: a beater and paper storage building; a boiler house of 250 hp; a storehouse for mill supplies; and a building to house the welding shop.

Groundwood pulp shipped during 1947 totaled 22,164 air dry tons, an increase of 22% over 1946, despite power shortages in November and December. Lumber shipments amounted to 35,846,948 fbm an increase of 22% over 1946. The company shipped 42,000 bbls. of apples from its fruit operations in 1946-47 season which represented an all-time high in that division.

Capital additions to plant and machinery during 1947 amounted to $209,854. Major portion was applicable to the new paper mill and the addition of another calender stack (now on order costing approximately $9,000) will enable the company to produce a high finish board which can be used for the manufacture of shipping cartons.

Company's net 1947 earnings of $807,952 were up substantially from earnings of $237,860 in 1946. The final net profit, after charging writeoffs, interest and depreciation—including $100,000 set aside for contingencies—was $266,550 ($55,909).

Minas Shipping Co. is a wholly owned subsidiary while the controlled concerns are Annapolis Basin Pulp & Power Co., Canadian Keyes Fibre Co., Fenderson's Ltd., Parrsboro Lumber Co., and Maple Leaf Lumber Co.

Moirs Ltd.

Moirs Ltd. is engaged in the manufacture of chocolates, confectionery, bread, cake and biscuits as well as operating its own paper box factory and wooden box mill.

The company's plants are located at Halifax and Bedford, N.S. The bakeries have a capacity of 15,000 loaves of bread, 7,500 lb. of cake and 5,000 lb. of biscuits per day. The paper box factory has a daily capacity of 15,000 boxes. The company owns timber limits which supply lumber to its wooden box plant. During 1947 more than $250,000 was expended on capital account to provide for modernization of plants and the installation of new machinery and equipment.

Net 1947 earnings of $730,527 were up from $574,890 in 1946. However, substantially higher provision for Dominion income tax and depreciation reserve lowered net profits to $203,550 ($206,067). Working capital of $1,054,535 at Dec. 31, 1947, was down from $1,176,968 at Dec. 31, 1946, reflecting in part the extraordinary expenditures on capital account during 1947.

In 1947 the company eliminated dividend arrears amounting to $48 per share on the 6% first preference stock under a plan of compromise. The old shares were redesigned to new first cumulative redeemable preference stock, carrying an annual dividend over a certain period covering total arrears on the old stock. Dividends totaling 14% were declared on account of arrears in 1947.

In June, 1948, company made arrangements for the sale privately of up to $400,000 of 3% seven-year serial bonds.

Proceeds will be used for the redemption of the presently outstanding $615,850 6% bonds due Jan. 1, 1953, which have been called for redemption at par on July 1, 1948.

Moirs' volume of sales for the first quarter of 1948 has been quite satisfactory. Moirs will spend some $200,000 on new equipment in 1948 provided all the equipment on order is delivered. One half of the new equipment has already been received and is currently being installed. This represents the balance of a $600,000 modernization program started at the end of the war of which $100,000 was spent in 1946 and $300,000 in 1947.

Nat. Sea Products

National Sea Products produces, processes and distributes fresh, frozen and smoked fish and fillets; canned fish, dry and pickled fish; fish meal, fish olis and glue at Halifax, N.S.

The company owns a substantial interest in a fleet of fishing vessels and operates cold storage facilities in seven localities in Nova Scotia with distributing houses in Montreal and Toronto. On its formation in 1945 National Sea Products acquired fixed and operating assets of 18 companies and share interests in six companies.

The company ranks as the largest distributor in Canada of the products of the Atlantic fisheries. Operating assets are reported to be handling approximately 100 million lb. of fish a year with annual sales aggregating in the neighborhood of $10 millions. The wholly owned subsidiaries include: Leonard Bros. (Newfoundland) and Banks Ltd.; Nipigon Fisheries; Lunenburg Sea Products. Controlling stock interest is held in Nickerson Bros. and D. Hatton Co.

Individual or consolidated balance sheets and operating statements have not been submitted for publication in latter years

(Continued on page 32)

93 YEARS

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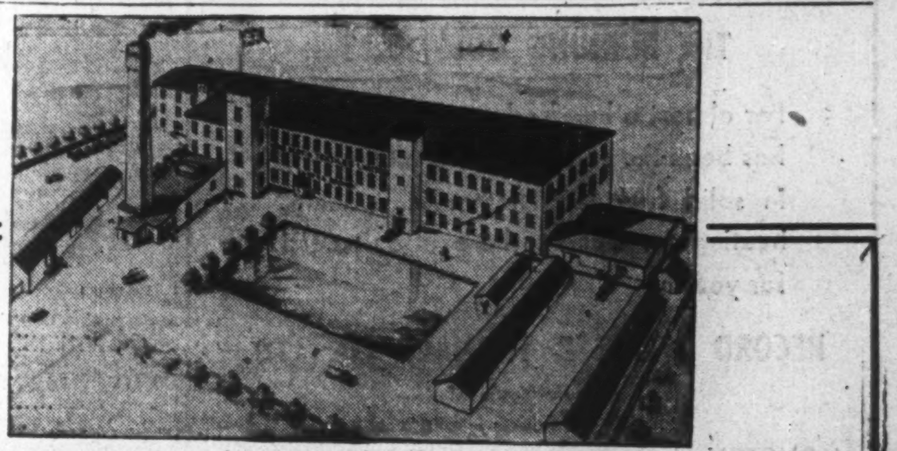

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New Brunswick's Record Surplus

By JAMES H. JOYCE

A surplus of $6,347,819 for the fiscal year ending Oct. 31, 1947—over $4 millions higher than the previous record surplus of $2,287,115 for 1946—featured the finances of New Brunswick last year.

This was the ninth consecutive year that the province has shown a surplus on ordinary account. Hon. J. J. Hayes Doone, Provincial Secretary-Treasurer, has forecast a small surplus of $230,408 for the current fiscal year ending Oct. 31, 1948.

Total revenues of $25,574,373 for the fiscal year ended Oct. 31, 1947, were at an all-time high for the province—$6,850,781 above the previous year and three times the total revenue of $8,475,000 for the fiscal year ending Oct. 31, 1939.

In addition to the total revenue for the fiscal period, the province received the sum of $1,065,657 in 1947 representing the payment of the hold-back under the 1942 Tax Agreement with Ottawa. This payment however was credited directly to the surplus account and was not reflected in the revenue of the current year, Mr. Hayes Doone states. The amount was regarded as a recurring one and therefore not attributable to the current year's operations.

The expenditure on ordinary account for the fiscal year ending Oct. 31, 1947, was $19,226,554—a new high in financial requirement.

For the current fiscal year ending Oct. 31, 1948, revenues on ordinary account are estimated to produce $23,774,174 while expenditures for the period have been set at $23,543,766.

Liquor Profits Down

Revenues are estimated consequently about 7% less than for the last fiscal year. The biggest drop here is shown in the estimate for liquor profits, which are set at $5 millions as against $6,880,000 for the year ending Oct. 31, 1947. It is possible that this estimate may be bettered as $5 millions was all that was budgeted for in the year ending Oct. 31, 1947.

Details of current revenue, current expenditures and the yearly surplus for 1946 and 1947 and a budget estimate for 1948 fiscal periods are shown in the accompanying table.

The additional sum required for expenditures on ordinary account for the 1948 fiscal period is $4,317,212. Two items alone account for $2,850,611 of this increase, the table shows. Subsidies to municipalities are being increased by $1,328,773 over the amount of the previous year and the public debt service charge is $1,521,838 higher.

The latter increase is due chiefly to an increased contribution to the sinking fund. During recent years sinking funds were maintained at 1.8% for debentures issued on behalf of the New Brunswick Electric Power Commission and ½% and 1% for other issues. As of Nov. 1, 1947, the rate on all issues was increased to 2%. It is indicated that the change will produce an additional $1,300,000 for the sinking fund in the current year, Mr. Hayes Doone stated.

"We have also been advised that with the continuance of the rates mentioned, with sinking fund accruals invested at 3% starting at scratch and without additional expenditures of a capital nature, the debt of the province could be liquidated in 31 years," Mr. Hayes Doone added.

Debt is Higher

Despite the large surplus on current account, total net liabilities of New Brunswick (net funded debt plus bank advances, treasury bills and other liabilities) amounted to $113,525,000 at Oct. 31, 1947—$9,556,000 or 9.2% higher than the comparable figure of $103,969,000 for a year earlier and $16,917,000 or 17.5% higher than its Oct. 31, 1939, level of $96,608,000.

The net debt (total net liabilities less net active assets) increased $2,693,000 or 3.1% to amount to $90,667,000 at Oct. 31, 1947. Net debt (total net liabilities less net active assets) is the best measure of the debt burden on the taxpayer. On a per capita basis the net debt burden has gone from $187.80 at Oct. 31, 1939 on the basis of the 1941 census population of 457,000 to $189 at Oct. 31, 1947 on the basis of estimated 1946 population of 480,000.

Details of the changes in debt position from Oct. 31, 1946 are shown in the accompanying table.

Sinking funds of $20,281,000 at Oct. 31, 1947 are invested $9,378,000 in Dominion of Canada Victory and guaranteed bonds and $10,295,000 in Province of New Brunswick bonds with a small portion invested in municipal and institutional securities, Mr. Hayes Doone states.

In anticipation of and following the drop in price for Dominion of Canada bonds as a result of withdrawal of support by the Bank of Canada, prices on New Brunswick bonds have also fallen. This is illustrated by the new issue of $9.5 millions debentures dated March 1, 1948 which consisted of $2 millions 2½%'s due 1951 sold to yield 2.50%, $2 millions 2¾%'s due March 1, 1953 sold to yield 2.80% and $5.5 millions 3¼%'s due March 1, 1958 sold to yield 3.25%. In November 1947 the province sold $5 millions of 3% debentures due 1968 (a 10 year longer term) to yield 3.03%.

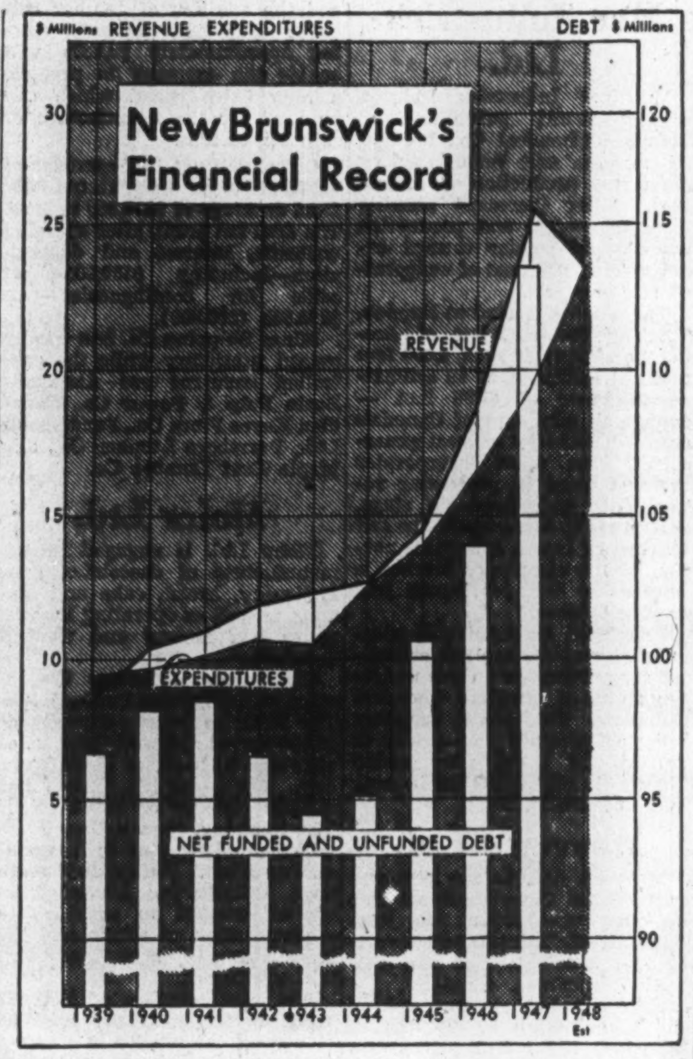
The average coupon rate of New Brunswick issues was 3.57% at Feb. 9, 1948—a marked improvement over the average rate of 4.45% as of Oct. 31, 1936. This reflects the more favorable rate of interest which has recently prevailed both for new issues and refunding issues.

A big question for New Brunswick is that of how long capital expenditures of the character carried on during the past year can be continued without impairing its credit position. In his budget speech Mr. Hayes Doone states that "that is a matter of government policy and one to which the Government is already giving the greatest consideration."

Debt retirement and servicing has for many years been the greatest single item of expenditure. Total debt charges for the 1948 fiscal year will take 27.8% of the total ordinary revenue according to the estimates. This figure is of course jumped this year due to the increase in sinking fund requirements mentioned above.

Most important item in the 1948 revenue will be the subsidy from the Dominion Government, estimated at $9,428,000 which is 39.7% of total estimated revenue.

As a result of the latest Dominion-Provincial agreement respecting taxation, New Brunswick will receive an irreducible minimum annual subsidy from April 1, 1946 to March 31, 1952 of $8,773,420 in return for allowing the Dominion the exclusive right to collect personal income and corporation taxes and succession duties for this period. This irreducible minimum includes the statutory subsidies payable to the province prior to the wartime tax agreement and includes the amount set out in the White Commission. The annual payment is to be increased in proportion as the population of New Brunswick increases and in proportion as to per capita gross national products of Canada increases, both with respect to the calendar year 1942. The New Brunswick estimate for 1948 takes account of a possible increase.



New Brunswick's Finances

REVENUE AND EXPENDITURE
(Thousands of Dollars)

Revenue:	1946	1947	1948 Estimate
	Years Ended Oct. 31		
Subsidy from Federal Govt.	2,972	9,007	9,428
Taxation	4,973	4,900	4,583
License fees, royalt's	3,448	4,329	4,338
Institutions	221	244	244
Liquor Control B'd.	6,890	6,880	5,000
Sundry items	220	214	181
Total ordinary rev.	18,724	25,574	23,774
Expenditure:			
Interest	4,148	4,207	4,299
Sink. fund & serial redemption	607	773	2,202
Total debt chgs.*	4,755	4,980	6,501
Subsidies to munic.	....	727	2,055
General gov't	2,569	3,271	3,564
Public works	4,556	4,249	3,952
Education	1,651	2,138	2,818
Public welfare	2,906	3,861	4,654
Total ord. expend.	16,437	19,226	23,544
Surplus for year	2,287	6,348	230

*Does not include debt charges on debt issued to provide funds for the N. B. Electric Power Commission which charges are provided out of the operating revenues of the Commission.

DEBT POSITION
(Thousands of Dollars)

	Oct. 31 1946	Oct. 31 1947	May 15 1948
Gross funded debt	117,030	123,681	128,758
Less: Sink. funds	18,513	20,281	*
Net funded debt	98,517	103,400	*
Bank advances & treasury bills	724	5,422	*
Other liabs.	4,728	4,703	*
Total net liabs.	103,969	113,525	*
‡Less: Net active assets	15,995	22,858	*
Net debt	87,974	90,667	*

*Not available.

‡Net active assets represent total active assets less relative sinking fund reserve. Total active assets include all assets of the Electric Power Commission, amount receivable from the C. N. R. in respect of debentures issued for Saint John & Quebec Railway Co., loans receivable, investment in farms of the Farm Settlement Board, current assets and other similar items.

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Bayside Farm operates on the American Plan. Rates (with meals) Double $5.00 to $7.50 daily per person, single $6.00 to $8.50 daily per person. Children $3.50 daily. Weekly rates on cottages on request. Transient Meals: Breakfast $0.85; Luncheon $1.25; Dinner $1.50. Address all communications to:

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Maritime Service Firms

N. B. Oilfields

Engaged chiefly in production and sale of natural gas and refining and distributing oil and oil products, New Brunswick Oilfields sold 230,043 Mcf of gas valued at $161,030 in period June 1 to Dec. 31, 1947. During the same period oil and oil product sales amounted to $27,740.

Property holdings comprise 10,000 sq. miles of petroleum and natural gas leases in New Brunswick on which royalty of 5% is payable to the province. There is a topping plant.

New Brunswick Oilfields is currently operating three rigs; one Diesel-driven drill is wildcatting at Round Hill; one deepening on the Stoney Creek field in search of a lower gas horizon; and one rig is cleaning out and pulling casing. The company has already completed deepening one well this spring and brought in a new supply of 360,000 cubic feet per day.

Under an agreement with Shell Exploration (New Brunswick) Shell in consideration of $300,000 received a sublease on three million acres in five separate non-contiguous tracts (excluding Stoney Creek field) with the right to produce and sell oil and gas therefrom, but giving New Brunswick Oilfields the option to buy all gas produced for sale. Shell has agreed to pay crown royalties on gas and oil it produces, to pay N. B. Oilfields a royalty of 7½% of the commercial value of all oil and gas produced unless the Crown royalty is increased when the company royalty will decrease proportionately; but in no event below 5%. Under the agreement Shell must commence drilling in 1949, but it is the company understanding that Shell will drill at least two wells this summer. Shell exploration has followed a progressive program in the province and has already geologized more than one million acres of their lease. Seismograph operations are currently under way.

Company's gas production is sold under an agreement, terminating March 26, 1950, with Moncton Electricity & Gas Co. Ltd.

SMT Eastern

S. M. T. (Eastern))operates a passenger and freight motor carrier system in New Brunswick and Prince Edward Island with direct through connections to Nova Scotia and United States points. Control is held by interests associated with Irving Oil Co.

Early in June, 1948, the City of Saint John Council granted the company an exclusive franchise to operate the transportation system in that city which heretofore had been directed by New Brunswick Power Co.

The agreement between the City and S.M.T. is to date from July 1, 1948, to July 31, 1961, but may be cancelled by the City on 18 months' notice if citizens decide in a plebiscite to place transportation under public ownership. The franchise may be renewed for a further 10 years after July 31, 1961, unless the city or company has served notice by Jan. 31, 1960, that it wishes to discontinue the agreement.

S.M.T. has undertaken to pay the city 2½% of its gross revenue from fares in the greater Saint John area annually, in lieu of all rates, taxes and assessments other than real estate taxes and to indemnify the city against any possible loss resulting from any lawsuit that might be brought by the New Brunswick Power Co.

S.M.T. has been improving, renovating and adding equipment to rolling stock now that equipment is available.

United Fruit

United Fruit Companies of Nova Scotia, Kentville, is one of the largest apple co-operative organizations operating in Canada. It represents a large number of co-operatives in the Annapolis Valley and has been an important factor in the marketing of Nova Scotia apples for some years.

The company has been making rapid headway in providing cold storage facilities having completed a central cold storage plant in the Annapolis Valley at Coldbrook in 1946. The plant has capacity for approximately 150,000 bus. of apples. The second unit with storage for 225,000 bus. of fruit was completed last year at Hillaton.

Plans for 1948 call for construction of two additional plants and conversion of a common storage warehouse to cold storage. One of the new plants will be built adjacent to the present plant at Coldbrook and the other at Middleton, Annapolis Co. Conversion of the Falmouth Fruit Co-operative's warehouse will provide storage for 30,000 bus. in Hants Co., at the eastern end of the apple belt. Completion of these plants will provide central cold storage for approximately 775,000 bus. fruit from the 1948 crop. In addition to this, cold storage compartments in local company warehouses are capable of handling 140,000 to 150,000 bus. at a time.

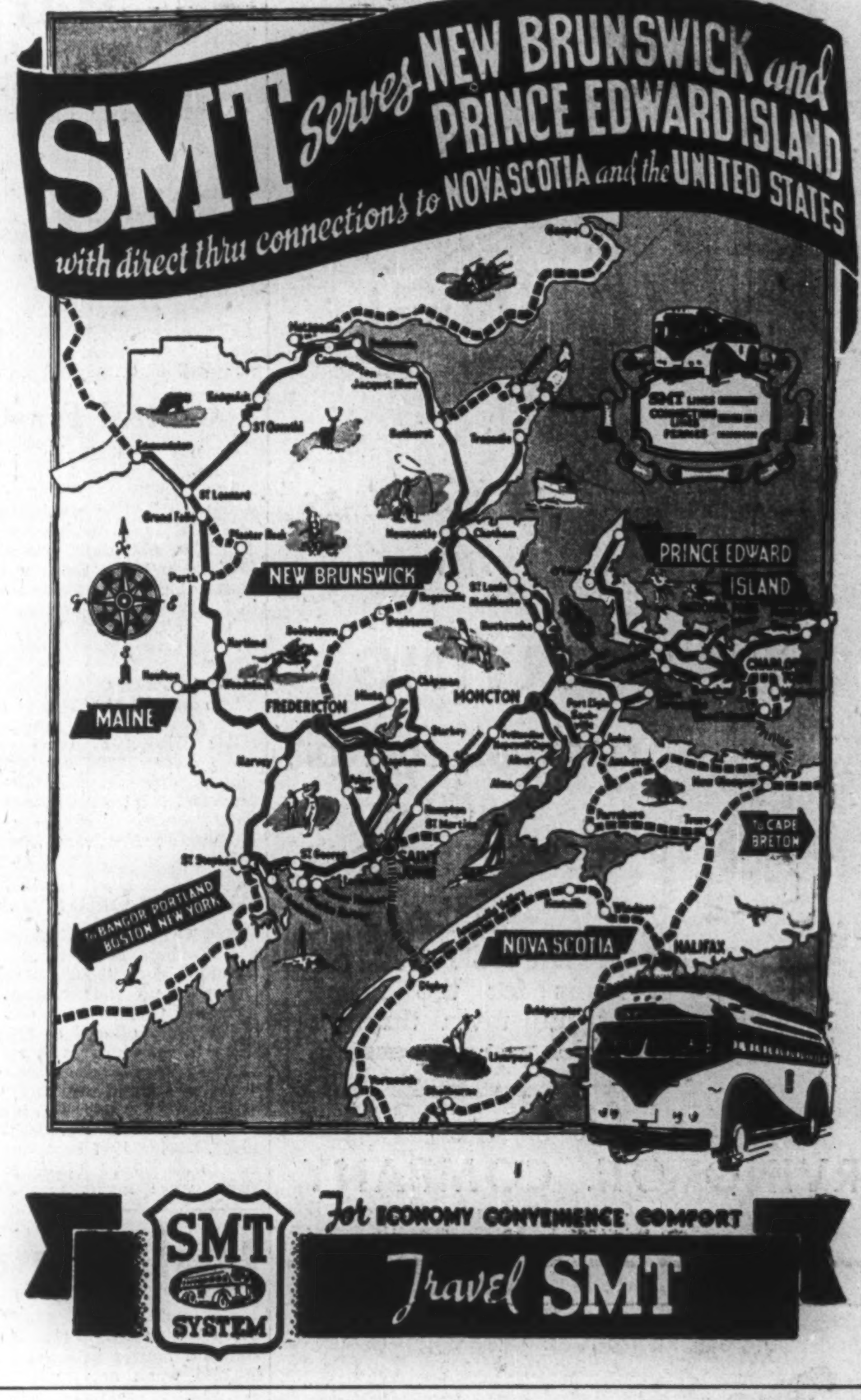
Loss of the United Kingdom market has presented a serious problem in marketing Nova Scotia apples. Prior to the war an average of 80% of Nova Scotia production was shipped to Britain, but closing of the market necessitated exploration of other outlets for large quantities of certain varieties which are not in popular demand in North America. These varieties had been planted and propagated to supply the U. K. Approximately one third of 1947's four million bushels was sold as fresh fruit in Canada, the United States, Newfoundland and the West Indies. Trial shipments also went forward to South American countries, South Africa and Palestine. The remainder of the crop was processed into apple byproducts.

United Fruit Companies operates four processing plants at Middleton, Aylesford, Berwick and Port Williams in the Annapolis Valley. Products are marketed under the well-known "Scotian Gold" and "Hiawatha" brands. A new product, Scotian Gold applesauce has been introduced to the Canadian market, while apple juice, pie filler, dried apples, apple flakes, apple concentrates and canned apples are distributed to the Canadian trade.

A program of reconversion is at present under way in Annapolic Valley orchards, designed to eliminate large quantities acceptable only on the British market and increase production of varieties which find ready sale on all markets. United Fruit Companies has been largely responsible for assisting growers in the practical application of the plan and the company employs a field staff to assist growers with their orchard work. Under the rehabilitation program 180,000 old trees of less desirable varieties are expected to be pulled out and 40,000 younger trees grafted in to recommended varieties of apples. Introduction of a new method of grafting is expected to have the trees bearing up to one bushel or so of apples within the first year.

United Sales Corp.

United Sales Corp. is a holding company controlled by the K. C. Irving interests of Saint John. It carries on operations in the Maritime provinces, principally through Commercial Equipment Co. This subsidiary handles supplies and fittings of all kinds, including industrial, electrical and Diesel. Head office is in Saint John.



Maritimes Services

Irving Oil

Irving Oil Co. operates as wholesale distributors of petroleum products throughout the Maritime provinces, handling more than one third of total gasoline and oil business in the Maritimes.

The company has established a sizeable business in the petroleum distribution field in the Maritimes and has disclosed a progressive trend in latter years. Net earnings totaled $916,466 in year ended Jan. 31, 1946, and after charging depreciation and taxes and providing sinking fund for redemption of preferred shares, the final net profit was $298,528. Current assets were $2,954,964 and liabilities $995,088, at Jan. 31, 1946.

Mar. Access. Ltd.

Maritime Accessories Ltd. handles a line of automotive accessories and equipment at Halifax and Sydney, N.S., and at Saint John, N.B. The entire outstanding common stock is owned by United Service Corp., a holding company maintaining headquarters at Halifax.

The company, in turn, controls Capital Transit Ltd., Fredericton, N.B., and Atlantic Chevrolet-Oldsmobile Ltd., Halifax.

Maritime Accessories does not submit individual financial or operating statements for publication, but it is understood sales have moved higher indicating the steady demand for automotive accessory replacements.

MRA Holdings Ltd.

M.R.A. Holdings Ltd. operates as a holding company owning the entire outstanding capital stock of Manchester Robertson Allison Ltd., and Vassie-Brock-Manchester Ltd.

Manchester Robertson Allison owns and operates a department store in the City of Saint John, N.B., which conducts 45 departments. Connecting stores are located on King St. and Germain St. with a floor space of approximately 135,000 sq. ft.

Vassie-Brock-Manchester owns and occupies two buildings on King St. and one on Canterbury St., Saint John, as well as owning and occupying the warehouse at Halifax with branches at Sydney and Three Rivers, Que. The company operates a general drygoods business. Travelers of the company cover the three Maritime provinces and Quebec.

The building housing the department store Manchester Robertson Allison is a comparatively new structure.

Super-Service

Super-Service Stations operate or control 86 service stations in the Maritime provinces. Headquarters are maintained at Halifax, N.S., and the entire common stock is controlled by United Service Corp., a holding company of Halifax.

The company has experienced steadily expanding sales in latter years with volume conducted in 1947 at $3,653,000, up from $3,415,500 in 1946 and $2,687,000 in 1945.

Net 1947 earnings of $472,305 were slightly above earnings of $454,054 in 1946. After charging depreciation, bond interest, income taxes and miscellaneous charges, the 1947 net profit of $96,309 compared with $127,386 in 1946. Working capital at end of 1947 at $277,529 was off from $669,223 at end of 1946.

The outstanding 5% and 6% serial bonds were called for redemption in 1946 and a new issue of 3% serial and 3¾% sinking fund bonds amounting to $1 million, was sold. Dividends are paid regularly on 5½% preferred and common shares. In 1947, $300,000 in 5½% preferred shares were redeemed and $500,000 of new 4½% preference shares were sold at par.

Company expended $798,585 on new properties and equipment to extend and consilidate operating facilities.

United Service Corp.

United Service Corp. is a diversified operation as it owns real estate, operates a bus line and holds controlling interest in merchandising companies allied with the automotive field. The real estate owned is the building on Sackville St., Halifax, the bus operation is the Acadia Coach Lines and the controlling stock interest (excepting preferred shares of Super-Service Stations) follow:

Annapolis Valley Motors Ltd. —Kentville, N.S., engaged in automotive sales and service. Its subsidiaries, Aberdeen Motors Ltd. and Maritime Bus Corp. Ltd., operate bus service between Kentville, Aylesford and Wolfville; Avonian Motors Ltd. — Windsor, N.S., engaged in automotive sales and service; Halifax Motors Ltd. provides sales and service; Manning Equipment Ltd. —Halifax, N.S., engaged in merchandising refrigerators, radios, etc.; Maritime Accessories Ltd.— Halifax, and Sydney, N.S., and Saint John, N.B., being engaged in automotive accessories and equipment. It in turn owns Capital Transit Ltd., Fredericton, N.B., and Atlantic Chevrolet-Oldsmobile Ltd., Halifax; Super-Service Stations Ltd., Halifax, N.S., operating 86 service stations; Nova Scotia Acceptance Corp. Ltd., Halifax; Harbor Motors Ltd., Dartmouth, N.S.

Consolidated sales of United Service Corp. and its subsidiaries have shown steady expansion in latter years, reaching $8,347,500 in 1947, an increase of approximately $1.1 million over 1946. The company expended $809,924 on new properties and equipment last year. Net 1947 earnings of $1,149,538 were up from $1,034,764 in 1946. Net profit was $490,202 in 1947 ($460,832 in 1946).

The outstanding 26,764 common shares of United Service Corp. were divided into 133,820 class A and 133,820 class B shares in 1947. Additional A and B common shares were authorized to make a total of 210,000 shares of each class. The $300,000 in 5½% preference shares of Super-Service Stations, a subsidiary, were called and redeemed and $500,000 of new 4½% preference shares were sold at par.

Inventories increased $578,047 in 1947, reflecting a freer and better supply of merchandise which enabled the company to build up inventories in line with customers' requirements.

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Great Families Create Great Nations

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Maritime Finance Companies

Acadia Trust

Acadia Trust Co. net profit for year ended Nov. 29, 1947, at $41,878 was about the same as 1946 profit of $41,098.

Estates, trusts and agencies under administration stood at $8,144,159, an increase of $280,675 in the year. Guaranteed funds were off 193,837 to $1,576,777. Assets of capital account at $1,259,896 were up $43,887 and included first mortgages of $141,195 ($115,002 in 1946). Head office of the company is at Truro, N.S.

Central Trust

Central Trust Co. of Canada net 1947 operating profit at $32,509 was up from $28,254 the year previously. After providing for federal and provincial income tax of $12,305 net profit was $20,204 ($16,414 in 1946). Total assets in hands of the company amounted to $13,114,332 at year end, an increase of $2,828,796. Repayments on mortgage investments continued satisfactory with no interest in arrears.

The sum of $38,130 was added to general reserve, which now totals $75,000. Paid up capital was increased $20,750 to $266,550.

Head office is maintained at Moncton, N.B., with branches at Saint John, Fredericton and Woodstock, N.B., and Amherst, N.S.

Eastern Can. S. & L.

Net 1947 profit of Eastern Canada Savings & Loan Co. was $33,351 higher at $96,358. Issued and paid up capital stock was increased to $1 million and new shares were offered at $120 per share to shareholders in ratio of one new share for each three held.

Loans secured by mortgages, agreements for sale, etc., increased to $9,144,398 ($7,000,854 in 1946). During 1947 loans amounting to $3,660,632 ($2,902,066 in 1946) were made, and repayments amounted to $1,517,088 ($1,508,233).

Contingent account was increased to $42,226 through transfer of $28,247 realized from sale of assets. In addition to regular 6% dividend a special payment of 1% was paid Feb. 2, 1948. Head office is at Halifax, N.S.

Eastern Trust

Eastern Trust Co. net 1947 profit was $9,745 higher at $126,936. Volume of business again expanded and a branch office was established in Yarmouth to serve territory in Western Nova Scotia.

Total assets increased by $4,061,738, a new high. Estates, trusts and agencies under administration totaled $79,042,733, a jump of $3,443,385. The sum of $50,000 was transferred from real estate and contingency account to bring reserve fund up to $550,000. An amount of $18,931 was written off office fixtures and office premises were written down by $11,943.

Authorized capital was increased to $3 millions from $1 million. Head office is in Halifax with branches at Montreal, Saint John, Moncton, Charlottetown, Toronto, Lunenburg, New Glasgow, and St. John's (Nfld.).

General Trust

Gross income of General Trust of Canada in 1947 increased over $25,500 to $309,139. After charging operating expenses, transferring $10,000 to investment depreciation and $39,914 to taxes, the 1947 net profit was $80,380 ($73,723.

Total value of assets under administration at $128,075,524 was up $11,013,336 over 1946. Guaranteed accounts amounted to $3,878,455, against $3,041,507 at end of 1946. Book value of assets under administration rose to $72,897,451 from $66,616,710, and that of assets in custody to $49,897,451 from $46,756,884.

Assets of General Trust of Canada are invested as to 21% in mortgage loans, 10% in preferred stocks, 54% in negotiable bonds and the remainder in advances to estates and trusts under its management. The head office is located at Montreal with a branch office in Quebec City.

Maritime Life

Maritime Life Assurance Co. reports insurance in force on Dec. 31, 1947, at $35.6 millions, an increase of approximately $3.1 millions over 1946. New insurance issued and revived (including deferred annuities and group insurance) during the year totaled 2,151 policies for $5.2 millions. Total premium income was $817,413 and interest income was $248,259.

Death and disability claims paid in 1947 totaled $128,417, an increase over the previous year. Total payments to policyholders since the company commenced business now stands at $3.2 millions.

Reserves held on the company's assurance and annuity contracts totaled $5.6 millions at the end of 1947, as against $5.2 millions at end of 1946. Assets increased 9% to $6.6 millions in 1947.

During the year the company broadened its range of policies to include plans providing for participation by the policyholders in surplus arising from that class of business. Maritime Life Assurance operates throughout the Maritime Provinces, in Newfoundland, Leeward Islands, Bermuda, Bahamas and Jamaica.

Maritime Trust

Maritime Trust Co. operations in 1947 were satisfactory from an earnings standpoint and profits, without taking into consideration those realized in 1946 from sale of securities, showed a fair increase. However, increased taxes and expenses left 1947 profits of $11,354 down $3,860 from 1946.

The company continues to adhere to the principle of investing only in Dominion, Provincial and high-grade Municipal bonds. Estates, trusts and agencies account totaled $5,490,703, up from $5,224,898. Bond trusteeships rose to $8,569,200 from $7,283,200. Investments at Dec. 31, 1947, totaled $229,677 with market value $240,030.

Maritime Trust Co. does not accept deposits from the public nor does it issue guarantee trust certificates. Head office is maintained at Saint John with branches at Sackville, N.B., and Charlottetown, P.E.I.

N.S. Savings, Loan & Building

Nova Scotia Savings, Loan & Building Society net profits in 1947 of $105,492, were up from $91,980 in the preceding year.

Assets reached a new peak in the history of the organization at $6,208,784, being an increase of $415,090 over 1946. Investment account was moderately reduced by disposal of $50,000 in Dominion Government bonds which were sold in order to take advantage of the premium and to provide funds to meet demands for mortgage loans. Volume of the latter continued heavy, but mortgage repayments were also high, notwithstanding mortgage account increased by $466,379 and now stands at $5,640,197.

There was a substantial increase in debenture account to $3,520,030 and the Society had to decline many applications from investors. Savings deposits were down to $876,043 from $979,467, mainly because of withdrawals of institutional deposits and those who had no need of ready funds transferred their balances to debentures.

Financial standing of the Society was further strengthened by transfer of $50,000 from profit and loss account to rest funds, bringing that fund up to $500,000.

N. S. Trust

Net profit of Nova Scotia Trust Co. in 1947 of $50,329 was practically unchanged from the preceding year. Affairs of the company showed steady expansion and total assets at $19,509,816 were $757,831 above 1946 figures.

Estates account increased $636,204 to $15,937,583. Guaranteed funds rose from $2,549,928 in 1946 to $2,654,232. Investments in Government, Municipal and Corporation securities were up from $361,828 to $599,783.

Nova Scotia Trust Co. confines its operations to the province only and in addition to the head office in Halifax, opened new branches at Kentville and Yarmouth to serve the western portion of the province.

Yarmouth B & L

Yarmouth Building & Loan Society's 1947 net profit eased slightly to $10,176. Mortgages increased $24,904 to $297,861. Liquid assets, including cash on hand, fell off to $876 from $20,983 in 1946. The regular dividend payment of $5 was made during the year. Head office is at Yarmouth, N.S.

Industry in the Maritimes

(Continued from page 29)

and last figures submitted were in 1945 when net profit totaled $527,980.

N. S. Textiles

Nova Scotia Textiles Co. manufactures a wide range of knitted goods of both cotton and woollen fabrics for men and women in its modern plant at Windsor, N.S. Sales are Dominion-wide with some of the products marketed under the names of "Windsor-Wear" underwear and "Evangeline" undergarments.

During the war period the company expanded its plant facilities materially to meet war requirements and conversion from war to peace has taken many months to catch up with civilian backlog of orders.

Financial and operating details are not provided.

N. S. Coal & Gypsum

Nova Scotia Coal & Gypsum Co., owning the gypsum deposit five miles from Mabou, N.S., is a wholly owned subsidiary of Gypsum, Lime & Alabastine Canada, Paris, Ont.

The gypsum deposit was closed down in 1942, due to lack of shipping and the parent company states that it is not its intention to operate the quarry in 1948. Gypsum, Lime & Alabastine has been securing certain of its requirements from other Nova Scotia deposits.

The parent company realized a net profit of $848,416, or $1.93 per share in 1947, as against $581,970, or $1.32 a share in 1946.

N. B. Int. Paper

New Brunswick International Paper Co. operates a paper mill at Dalhousie, N.B., on the Baie de Chaleurs. The company is a wholly owned subsidiary of Canadian International Paper Co. which is in turn controlled by International Paper Co., New York City.

The mill is equipped with four paper machines with an aggregate daily capacity of about 710 tons of newsprint (220,100 tons annually on 310-day basis). It also has a wrapper machine with a daily capacity of about 28 tons. The mill is fully equipped to produce all its own regular pulp requirements. Steam and electric power are purchased from Gatineau Power Co. At times power so purchased is supplemented by utilizing steam purchased to generate electricity with its own turbine.

New Brunswick International Paper Company has owned and operated timber limits from the outset and in 1945 the Quebec Government granted it full ownership on 122 acres in the county of Matapedia and cutting rights on 714 acres in townships of Casault and Blais.

Financial or operating statements are not submitted for publication.

Robin, Jones & Whitman

Robin, Jones & Whitman operates a trading and fishing business in Quebec, New Brunswick and Nova Scotia. The company operates some 25 branches, the majority of which are on the Gaspé coast. Dried fish is exported while boneless fish is sold all over Canada.

The company holds a sizeable investment in fixed assets which consist of warehouses and wharves at Halifax and 25 branches. Seventeen of these branches are located in Quebec, six in Nova Scotia and two in New Brunswick.

Net profit of $66,437 covered fiscal year ended Feb. 28, 1947 (latest available), and compared with $49,516 profit in previous fiscal year. Earnings on the ordinary stock were $2.76 per share in year ended Feb. 28, 1947, as against deficit earnings of 24c in the previous year. Net working capital of $566,569 at Feb. 28, 1947, was the highest in some years.

Saint John Dry Dock

Saint John Dry Dock Co., successor to St. John Dry Dock & Shipbuilding Co., operates a dry dock of the first class at Saint John, N.B. The dock is reported one of the largest in the British Empire and is the only dry dock in Eastern Canada available throughout the year that will accommodate the largest merchant ships afloat.

The company is also engaged in dredging, marine contracting and in the fabrication and erection of steel for buildings and bridges. The steel department comprises an importaant part of the company's business.

Saint John Dry Dock Co. secured a contract from the Dominion Government to rebuild McLeod-Pettingill Wharf at Saint John, amounting to about $2.7 millions. The program will extend over 18 months and, in addition to being of substantial assistance to the structural department, will provide revenue for the company's ship repair department.

Business in 1947 consisted of ship repairs and conversions, structural steel work and dredging. The structural steel department is expected to operate at increased capacity this year, but it has been difficult to forecast other phases of the business. A drop in volume has been anticipated for ship repair work.

Net profits of $224,265 represented final income from eight months' operations to Dec. 31, 1947, and compared with $390,123 profit in 1946 for the predecessor company, Saint John Dry Dock & Shipbuilding Co. Net working capital was $924,426 at Dec. 31, 1947.

Stand. Clay Prod.

Standard Clay Products manufactures salt glazed vitrified and fire clay products, including sewer pipe, culvert pipe, concrete pipe, wall coping and flue linings. It owns five plants, three of which are located at St. Johns, Que., and two at New Glasgow, N.S. Total capacity is 30,000 tons annually.

Dollar value of sales showed an appreciable increase in 1947 and production, in spite of an interruption at the New Glasgow factory, was greater than in the preceding year. The prospect for 1948 is favorable and it is hoped that all plants will produce at capacity. An acute power shortage in the St. Johns district may force a reduction in working hours at that point.

Net 1947 earnings of $119,356 were moderately above the $87,717 in 1946. However, in-

(Continued on page 35)

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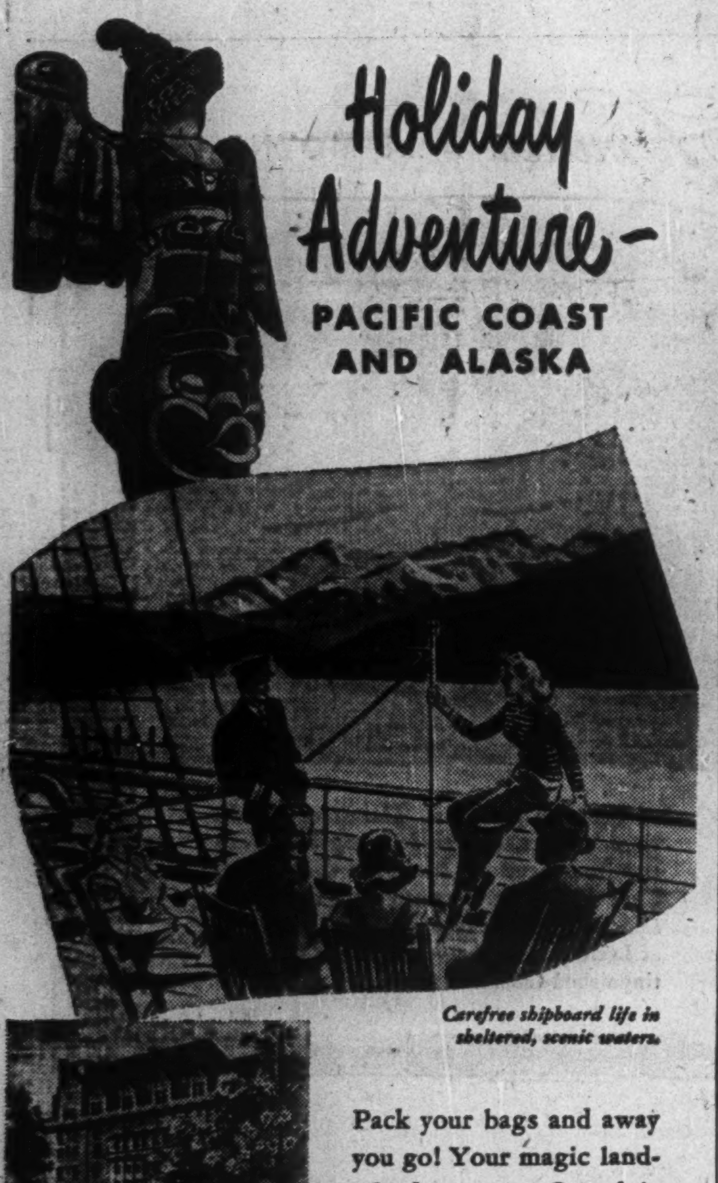

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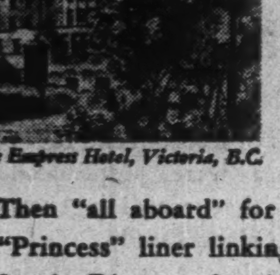

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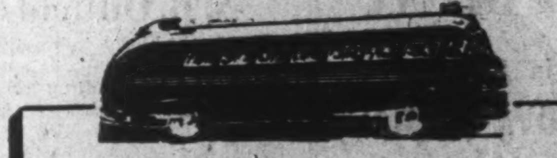

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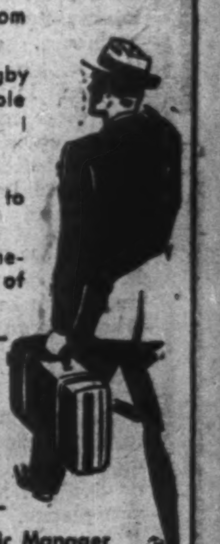

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NOVA SCOTIA LIGHT and POWER COMPANY, LIMITED
AND AFFILIATED COMPANIES
HALIFAX - NOVA SCOTIA

Public Utilities in Maritimes

Acadia Coach

Acadia Coach Lines operates a motor transportation system from the city of Halifax, covering a large portion of the Province of Nova Scotia. The business is owned and directed by United Service Corp., a holding company, with headquarters in Halifax.

The line operates a sizeable fleet of buses and since war years has made numerous replacements and repairs to rolling stock and other equipment to provide comfortable and efficient transportation in the province.

Individual financial or operating figures are not submitted on this division, but United Service Corp., showed net profit of $490,202 in fiscal year ended Dec. 31, 1947 ($460,832 in 1946).

Canada Electric

Canada Electric Co., a wholly owned subsidiary of Eastern Utilities, supplies electric power and lighting service to a large part of Cumberland County, N.S., and through its associate company, The Eastern Electric & Development Co., supplies power for eastern Westmorland County, N.B.

In addition to the general power and lighting operation the company supplies power wholesale to the Dominion Coal Co. and Edison Electric Light & Power Co. at Springhill, Canadian Broadcasting Corp. at Sackville and to the New Brunswick Hydro Commission for its Port Elgin-Cape Tormentine service. Population served approximates 42,000.

In 1946, Canada Electric Co. commenced a $3 millions expansion program which is expected to be completed in 1949. The plan covers three main objectives:

1. An addition to the generating plant at Maccan, involving one complete unit which will more than double capacity of the present plant and bring the total generating capacity to over 40,000 h.p.
2. Construction of a 138,000-volt transmission line to tie in the Maccan generating plant with the Pictou County Power Board system at Truro. This is approximately 60 miles in length and is a step in the establishment of a grid system in Nova Scotia that will serve as a standby unit for the company by making available power from the Pictou County Power Board's system in cases of emergency required by Canada Electric Co. The lines, however, will also serve as an emergency power supply for the Pictou system should such a situation arise.
3. A substantial mileage of rural distribution line is being built to cover a large rural area in Cumberland County. The extension program is continuing and is designed to take in additional new territory this year.

The company is reported to have been the first in America to use Thomas A. Edison's idea of generating power at the pit mouth and transmitting by wire rather than by transporting coal by rail to points where it would be used for industrial power purposes. The company was also one of the pioneers in Canada in using pulverized fuel under high pressure boilers. The generating station at Maccan is adjacent to an ample supply of low-cost coal. The plant generated over 36 million kwh in 1947.

According to a prospectus covering an offering of $500,000 4% general mortgage sinking fund bonds in 1947, the average annual earnings of the company for the 11 years and eight months ended Aug. 31, 1947, before depreciation, interest, income and excess profits tax and amortization of bond discount and expenses, were $204,381.

Eastern L & P

Eastern Light & Power Co. supplies electricity to the city of Sydney, towns of North Sydney, Sydney Mines and 11 districts in the county of Cape Breton, N.S. Power is also wholesaled to the town of Dominion.

Energy is purchased through a 12,000 kva regulator station and distributed through substations with a capacity of 10,750 kva.

In 1947 construction included the completion of 25.65 miles of rural distribution lines and alterations and conversion of the former Townsend Street stand-by power plant to a combined service building and general office, increasing substation capacity and other necessary removals and replacements. The continuation of the company's rural electrification schedule calls for the completion of 23½ miles in 1948.

The sole subsidiary, Dominion Utilities Co., distributes electricity in the town of New Waterford and three districts in the county of Cape Breton. Water is also distributed in the town of New Waterford and the adjacent Scotchtown district. These companies were supplying a total of 17,177 electric consumers at Dec. 31, 1947.

Capital stock of Eastern Light & Power Co. consists of $1 million authorized common shares of which $600,000 are presently outstanding. In 1947 general mortgage bonds were issued to a par value of $300,000 to reimburse the company in part for capital expenditures made and to enable it to proceed further with an authorized construction program.

Funded debt outstanding at Dec. 31, 1947, totaled $961,000 in 4% first mortgage and collateral trust sinking fund bonds.

Eastern Utilities

Eastern Utilities Ltd. operates as a holding company and through operating subsidiaries supplies electricity to a sizeable portion of Nova Scotia. Natural gas is supplied to Moncton and Hillsboro and transportation to the Cumberland fields.

The company has three wholly owned subsidiaries: Canada Electric Co.; Eastern Electric & Development Co.; and Joggins Coal Co. The controlled companies are: Moncton Electricity & Gas Co., and Maritime Coal, Railway & Power Co. The public utility subsidiary companies have sizeable expansion programs under way with a $3 million improvement being undertaken by Canada Electric Co.

Income in 1946 (latest figures available) totaled $164,000 and comprised dividends of $88,101 from Moncton Electricity & Gas Co., $45,000 from Canada Electric Co., $15,000 from Joggins Coal Co., $9,900 from Eastern Electric & Development Co., and $5,999 in dividends from other sources. Net 1946 income was $122,443 as against $114,317 in 1945.

Maritime Electric

Maritime Electric Co. supplies light and power to Charlottetown, Montague and 25 other communities in P. E. I.; also Fredericton, St. Stephen, Milltown, St. Andrews, Devon and seven other New Brunswick communities. Power for the P. E. I. district is supplied from a 3,000-kw steam plant and the New Brunswick area is supplied with power purchased from the New Brunswick Power Commission.

The company is reported to have discontinued the policy of submitting financial and operating statements for publication. Net 1945 earnings (latest figures) were $202,125 ($222,431 in 1944). Net 1945 profit represented earnings per share on the common stock of $11.78. Working capital was $133,798 at Jan. 1, 1946.

Funded debt comprises authorized $1 million first mortgage bonds, 4½% series, of which $881,000 were outstanding at Dec. 31, 1947, and an authorized issue of $400,000 in 5½% general mortgage sinking fund bonds of which $349,000 are outstanding.

Maritime T & T

Maritime Telegraph & Telephone Co.'s 1948 budget calls for gross capital expenditure of $3,654,417. Included in expenditures were projects authorized for 1947, but still in progress or not yet started due to shortage of necessary materials and equipment.

The company has purchased radio sites near New Glasgow and Charlottetown where buildings will be erected for installation of a 15-channel micro wave telephone radio system, tying in with the toll networks of both the parent and its subsidiary companies. A new central office building is to be erected at New Waterford and a new building is planned for the Lorne-Armdale exchange in Halifax.

Maritime T. & T. operates the entire telephone system of Nova Scotia and—through control of the Island Telephone Co.—of Prince Edward Island. Its lines connect with the New Brunswick Telephone Co.'s system and it has other connections under favorable agreements for long-distance business.

New telephone installations increased 5,891, bringing total installations from 68,121 to 74,012 at the end of 1947. Unfilled orders were almost as large at the end of the year as at the beginning of 1947. Plant and property extensions last year totaled $1,755,265. Nineteen additional toll circuits were placed in operation, totaling 1,300 miles.

A large program of aerial and underground cable extension was carried out and dial equipment additions were installed in eight exchanges and manual switchboard additions were installed in nine exchanges.

Gross 1947 revenue of $4,234,707 was 6.3% over the previous year. Exchange service revenue increased 7.1%, total revenue 5% with small decreases in miscellaneous revenue. Operating expenses, excluding taxes, jumped 19.3%, and net profit was slightly lower at $645,769.

Net 1947 profit of $645,769 was equal to $4.31 per preferred share and $1.24 per common ($662,677, or $4.42 and $1.31 per share in 1946). Working capital increased from $1,178,160 to $1,630,305.

The company has applied to the Province of Nova Scotia for legislation increasing authorized capital from $7.5 millions to $15 millions for purpose of permitting the company to raise additional finances in the future.

Nova Scotia L & P

Nova Scotia Light & Power Co. is the largest utility operator in Nova Scotia, providing gas, power and tramway services in the area around Halifax, and through subsidiaries, supplies electric service to approximately one half the consumers of electricity in the province.

Tramway traffic decreased as expected in 1947, but the reduction in receipts was more than offset by increases in electric income in all companies, resulting in consolidated earnings moving higher last year. The extension of services, especially in the country districts, was actively continued and more than 4,400 new customers were connected in 1947. The company through one of its subsidiaries acquired the entire distribution system of the town of Hantsport in April, 1947, and this resulted in a substantial reduction in electric rates to its citizens.

Work was started last year on a new 6,000 hp hydro-electric station at Methals, Kings County, and orders were placed for machinery to double capacity of the Black River station which will complete electrical development of the Black River system.

Orders were also placed for purchase of vehicles and other equipment to be used in the new trolley coach transportation system in the city of Halifax.

Consolidated gross earnings in 1947 totaled $5,546,450 ($5,511,686 in 1946). Deducting operating expenses and taxes net 1947 earnings were $1,605,870 ($1,712,600 in 1946). Net profit was $566,055 as against $656,363. Net working capital was $601,067 at end of 1947 as against deficit working capital of $37,676 at end of 1946. The only capital change effected in 1947 was the sale of 20,000 4% preference shares in November to fund capital expenditures previously made, and subdivision of ordinary shares into six shares each to obtain wider distribution.

The company's steam power plant has a capacity of 8,310 hp, while the modern high-pressure steam plant has a capacity of 12,500 kw. The gas plant has a daily capacity of approximately 1.2 million cu. ft. and the electric railway service covers some 24 miles in length and utilizes about 82 passenger cars.

N. B. Power

New Brunswick Power Co.'s sole operation, after July 1, 1948, will be confined to the gas utility in the city of Saint John, N.B. and vicinity. The company's electric operations were expropriated by the New Brunswick Electric Power Commission and just recently the Council of the City of Saint John granted S.M.T. (Eastern) Ltd. an exclusive franchise to operate the transportation system in the city. The agreement calls for S.M.T. to operate the system from July 1, 1948, to July 31, 1961, but the agreement can be cancelled by the city on 18 months' notice if citizens decide in a plebiscite to have transportation placed under public ownership.

Earlier this year officials of New Brunswick Power Co. stated that in view of the New Brunswick Electric Power Commission expropriating the bulk of company assets it had been decided that no further financial statement would be made public. It is the understanding that settlement has not been made so far by the New Brunswick Power Commission for the electric generating and distribution facilities formerly operated by N. B. Power Co.

N. B. Telephone

New Brunswick Telephone Co. owns and operates the telephone system covering the province and connecting with the telephone systems in the adjoining provinces. The company owns nearly all buildings used as central offices as well as its head office building which, along with plant and general equipment, are valued at $13.5 millions.

Long distance messages reached an all-time high of 2,270,157 during 1947, an increase of 7.37% over the 2,114,176 calls in 1946. Total number of telephones in service at end of 1947 was 52,426, an increase of 5,292 over the previous year. Deferred applications for telephones rose 825 to 5,526 at Dec. 31, 1947.

Construction program carried out in 1947 resulted in capital additions totaling $2,716,459. A new building was finished at Fredericton where dial equipment has been installed and operating. A new building was completed in Florenceville and an extension to the central office building in Saint John is under way. Twenty-two additional circuits were placed in service in 1947.

In other exchanges, particularly Sackville, St. Stephen, Woodstock, Edmundston, Campbellton, Bathurst and Newcastle, enlargement of switchboards and other facilities have already been accomplished. A survey prepared by company engineers reveals that every exchange in the system is being offered business beyond existing capacities of lines, cables, switchboards, and in many places buildings too.

Gross revenue increased 7.7% to $3,235,436 in 1947. Local service revenue was 9.6% higher and long distance revenue 4.3% higher. Net profit for 1947 was $426,673 ($444,377 in 1946). Operating expenses amounted to $2,470,568, an increase of $309,403 or 14.3% over 1946, as a result of a larger number of employees, shorter hours of work, upward adjustment of wages, substantially higher costs of materials and abnormal repairs resulting from storm damage. Earnings per share were 56 cents based on 765,589 shares as against 69 cents on 639,456 shares in 1946.

Capital stock was increased from $8 millions to $14 millions in June, 1947, to cover heavy capital expenditures made during the year, as well as those contemplated. An offering of 191,397 shares was made to shareholders on the basis of one new share for each four shares held at $10 per share and 189,229 shares were subscribed and paid for under the offering.

Seaboard Power

Seaboard Power Co., a wholly owned subsidiary of Dominion Steel & Coal Corp., supplies electric power to the works of the parent company and the mines of associated concerns. Its system is interconnected with the power station at Sydney Steel Works and those of Dominion Coal Co., and Nova Scotia Steel & Coal Co. Power is also supplied to the Eastern Light & Power Co. and the town of Glace Bay.

Seaboard Power engineers are currently making a survey of power requirements in the area in order that complete information may be available for any eventualities that may arise.

The company's own power station is equipped with three generators with approximate capacity of 28,800 kw. Installation of a 16,000 kw unit was made in 1943. The station is located at Glace Bay and power is generated by the use of powdered coal.

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- Intensive development of raw materials, with greater activity in lumbering, mining, farming and fishing.
- Modernization of the deep sea fishing industry (it will be worth more than $18 millions this year).
- Rapid growth of the pulp and paper business (forest products were valued at $123 million last year).
- A $10 million power development program, extending electric power to rural areas.
- Widened promotion of the travel industry — and continuation of the good roads program.
- Sound economic policy.

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N. S. Reduces Net Funded Debt

Improved Financial Position Reflected in Credit Rating

By JAMES H. JOYCE

Nova Scotia is the only one of the three Maritime Provinces to show a reduction in its net funded debt in its 1947 fiscal year. It is also the only one whose net funded debt is lower than at the close of the fiscal year ended in 1939.

Nova Scotia's net funded debt amounted to $86,644,000 at Nov. 30, 1947—$5,928,000 or 6.4% less than a year earlier ($92,572,000) and $10,884,000 or 11.1% less than its level of $97,128,000 at Nov. 30, 1939.

If net general debt, which may give a truer picture, is examined, its figures show a reversal of their down trend in 1946 which has continued into 1947 although its total of $66,499,000 at Nov. 30, 1947, is still 13.3% under its Nov. 30, 1939, level of $76,697,000. (Net general debt is the net funded debt less other investments and Dominion credit; capital advances, and excess of current assets over current liabilities with certain other small adjustments.)

Net general debt is perhaps a better measure of the debt burden on the population (depending on the nature of the capital advances). On a per capita basis the net general debt has been reduced to about $108.66 at Nov. 30, 1947, based on an estimated population of 612,000 as compared with $104.12 a year earlier, based on an estimated population of 621,000 and with $132.80 at Nov. 30, 1939, on the basis of the 1940 census population of 578,000. The per capita figure, of course, reflects the increase in population as well as the reduction in total amount of the net general debt. Details of the debt position for 1946 and 1947 are shown in the accompanying table.

Credit Rating Improves

The province's greatly improved financial position, combined with the general trend to lower interest rates, has been reflected in a marked improvement in its credit rating. However, in anticipation of and later as a result of the Bank of Canada's action earlier this year in dropping its support level for Dominion bonds, the prices of Nova Scotia bonds are off from their highs.

This was illustrated by the sale of an issue dated May 1, 1945, of $4 million 3% bonds due May 1, 1955, and $8 million 3¼% bonds due May 1, 1962, at par to yield 3% and 3.25% respectively. About a year previously the province sold a $7 million 2%, 2½% and 2¾% serial and 20-year sinking fund debentures. The 20-year 2¾% bonds were offered publicly at par to yield 2.75%. Nova Scotia 3¼% bonds due June 1, 1956, which were about a 2.47% basis a year ago are now offered on about a 2.82% basis. In October, 1939, an issue of 12-year 3½% sinking fund debentures were offered at $99 and accrued interest to yield about 3.60%.

Provincial revenues continued their upward rise in 1947 being boosted by receipt of the additional subsidy under the new tax agreement with the Dominion Government. This amounted to $9,494,000 with the result that revenue totalled $33,292,000 as compared with the estimate of $22,370,000. At this level, revenue is 2.7 times its 1939 fiscal year's level of $12,297,000.

Current expenditure of $22,788,000 was also at a new high but only slightly above both the budget of $21,249,000 and the expenditure of $22,546,000 of the previous year. It has also increased since 1939, but not to the same extent, being only 1.9 times the 1939 current expenditures of $12,032,000.

Record Surplus

The largest surplus in the province's history—$10,506,000 on current account—resulted in the 1947 fiscal year. The Government decided to use this surplus for three different purposes. They were:

(1) To reduce the provincial debt by $4 millions. This was done by paying off $4,140,000 debentures issued in November, 1935, which came due on Nov. 15, 1947. Premier and Provincial Treasurer A. L. Macdonald estimated this saved the province a minimum of $200,000 a year.

(2) To set aside $1 million as a fund to be used to make loans to industries. This fund is being administered by the Department of Trade and Industry under Hon. Harold Connolly and the province hopes it will be of assistance in starting new industries or in enlarging existing industries.

(3) To set aside $4.5 millions as a fund to be loaned to cities, towns and municipalities of the province under conditions set out in an Act of the Legislature.

Briefly it is the province's purpose to have the cities or towns which borrow use the loan for long-term improvements such as waterworks, sewers, hospitals and schools, Premier Macdonald explained. For such purposes loans will be made available at a low rate of interest—considerably lower than the municipality would be able to secure in the ordinary market.

"If a town or city has good credit and if it can look after its borrowings in the ordinary way, then we think that it should not come to us for a loan. It should leave this fund for those places which are in greater need. It is obvious, of course, that if we lend to every city and town in the province, the whole fund will be rapidly exhausted. Therefore, we think that the need of the city, town or municipality and its ability to borrow should be considered by us in determining whether or not it should receive a loan," Mr. Macdonald added.

Current Revenue

For the current fiscal year ending Nov. 30, 1948, current revenue is estimated at $30,119,430, current expenditure at $27,473,310 before charging sinking funds of $1,291,190. That leaves an estimated surplus of $2,646,120 before charging sinking funds and of $1,354,930 after charging sinking funds.

The drop in current revenue from the previous year is largely accounted for by drops in two sources: (1) the lesser grants to be received from the Dominion Government during the present fiscal year, and (2) the estimated drop in profits of Nova Scotia Liquor Commission.

The drop of $2,240,000 in total amount received from the Dominion Treasury is not due to any change in the fundamentals of the Dominion-Provincial agreement, but arises from "windfalls" from the Dominion Treasury.

Payments in 1947 included a balance owing under the old wartime tax agreement of $1,611,000 which is not a recurring item, together with a special arrangement to cover the four months period from the end of the previous fiscal year. Nov. 30, 1946, to April 1, 1947, the date the new agreement with the Dominion commenced. This latter adjustment involved the payment of some $600,000.

The amount budgeted as receivable from the Dominion Treasury in the current fiscal year is set down at the guaranteed minimum of $10,870,140, but the actual amount to be received may be greater than that, Mr. Macdonald stated. The actual amount is based on the population of the province and the value of the gross national products of Canada. If these two elements increase in size, then the grant increases accordingly.

Expenditures Higher

Current expenditures for the current fiscal year are estimated at $27,473,000—$4,685,000 or 20.6% higher than in the 1947 fiscal year. Details of current revenue and current expenditures are shown on the accompanying table. From it it will be seen that two departments — Education and Highways and Public Works—account for over half this increase, while Public Welfare, etc., is also up substantially.

The Province's Future

There were three factors which the Province of Nova Scotia were forced to consider in making up the budget for the current year, Premier Macdonald states. They were:

(1) That by and large the province had not been giving its people the services that were available to citizens in many other parts of Canada, e.g., teachers' salaries and health and welfare expenditures.

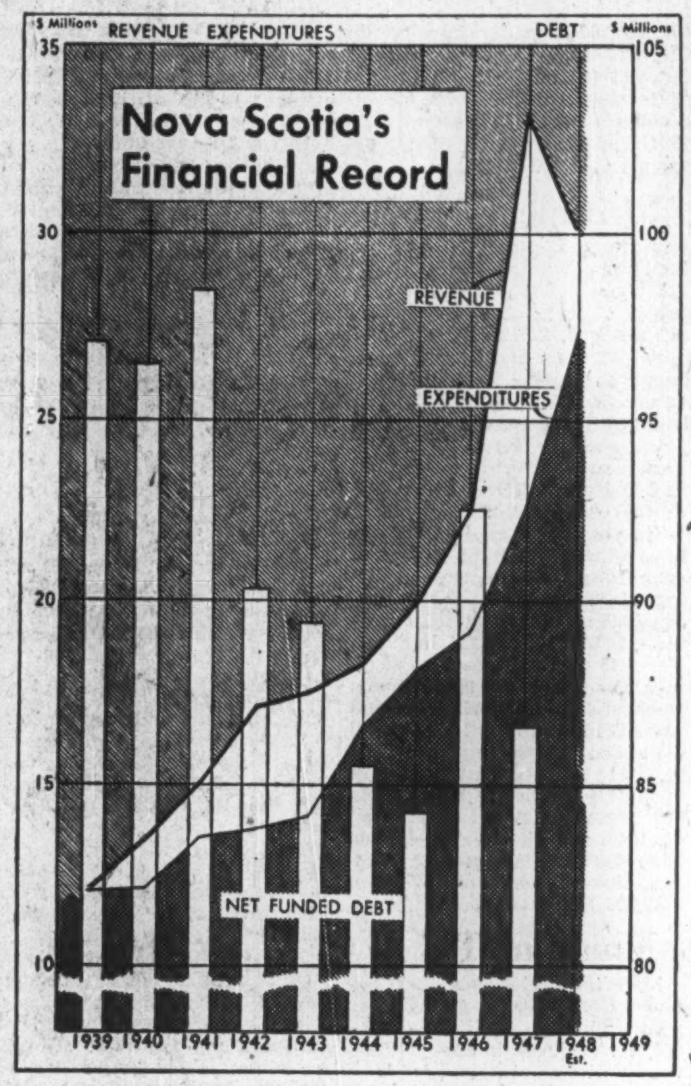
(2) The increased cost of government operation as a result of increased wage costs.

(3) The heavy demands that are being made on all governments in these days for increased services.

Pointing out that expenditures for 1946-47 were about 2½ times as great as they were in 1933-34 Mr. Macdonald warned that the great danger is that services will be expected beyond the capacity of the province to support them.

"Once you have built up services it is not easy to cut them down. It would be very difficult, for example, to reduce our grants to education, or our payments to old-age pensioners, or the assistance that we are giving for the care of tuberculosis patients, or of those mentally ill who are confined to the Nova Scotia hospital at Dartmouth. There are some types of expenditure which, once entered upon, are very hard indeed to relinquish. But yet, on the revenue side, what guarantee have we that our revenues will continue to increase as they have increased in the last 10 or 12 years?

"Our main sources of revenue today are three-fold. There is (1) the revenue from the Department of Highways; (2) the revenue that comes to us under the Dominion-Provincial Agreement; (3) the profits from the Nova Scotia Liquor Commission. Somewhat more than 80% of our revenue comes from these three sources. Should a depression or recession come, we must expect some decline in highway revenue and in the revenue derived from the Nova Scotia Liquor Commission. Indeed, the latter source is even now showing some signs of shrinkage. The Dominion-Provincial Agreement will expire in 1952 and what form of agreement will succeed it, nobody at this time can predict. Certainly we do not want ourselves to be in a position in 1952 which will find us with great and permanent commitments which we can only hope to meet largely out of sums granted to us by the Dominion Treasury. That would be a highly unfortunate and unfavorable position in which to find ourselves."



Nova Scotia's Finances

REVENUE AND EXPENDITURE
(Thousands of Dollars)

	1946	1947	Estimate 1948
Revenue:			
Dominion subsidies	705	2,005	2,005
Dominion payments under Wartime Agreement	2,911	1,611	.....
Additional subsidy under Agreement with Province dated Jan. 8/48	....	9,494	8,865
Taxation:			
Corporations (incl. fees and registrations)	123	194	145
Gasoline	3,498	5,180	6,000
Gasoline—Dom. guar. under Wartime Agreement	....	.....	.....
Fuel oil	....	.....	.....
Income	....	.....	.....
Board of Censors (incl. licenses)	422	409	398
Railway mileage	....	.....	.....
Succession duties	661	513	100
Highway tax	448	445	300
Land tax, forests	72	78	76
Fire protection tax, forests	26	27	26
Long distance telephone tax	46	47	47
Fire prevention tax (insur. cos.)	16	24	12
Other taxes	....	.....	.....
Motor licenses	2,136	2,512	2,517
Petroleum and natural gas fees, rentals and royalties	....	.....	.....
Minerals, royalties, rentals, fees and licenses	602	491	653
Crown lands and leases (incl. stumpage)	30	59	50
Game licenses and royalties on furs	151	161	150
Liquor profits and licenses	9,027	8,249	7,080
Hospitals and institutions	683	747	658
Education (tech. college and school book bureau)	130	173	193
Other revenue (incl. int. on investments)	859	874	845
	22,546	33,294	30,119
Current Expenditure:			
Public debt charges (int. and amt. of discounts)	3,361	3,444	3,339
Education	3,507	4,389	5,846
Agriculture	716	804	1,064
Public welfare institutions and charitable grants	4,330	5,171	6,066
Highways and public works	4,766	5,826	7,049
Other expenditures	2,569	3,154	4,111
(1) Total—Current Expenditures	19,250	22,788	27,473
Surplus Current Account	3,296	10,506	2,646
(1) Expenditures of capital nature included in above Current Expenditures (voted capital—charged to Current)	156	189	.....

DEBT POSITION
(Thousands of Dollars)

	Nov. 30, 1946	Nov. 30, 1947
Gross funded debt	105,780	99,345
Less: Sinking funds	13,208	12,701
Net funded debt	92,572	86,644
Less: Other investments and Dominion debt credit	11,915	11,067
	80,657	75,577
Less: Capital advances	15,234	15,881
	65,423	59,696
Add: Uninvested trust funds	.....	445
	65,423	60,141
Less: Fire ins. res. fund and housing comm. balances	42	37
	65,381	60,103
Less: Excess current assets over liabilities	723	6,395 (d)
Net general debt	64,658	66,499
Contingent liabilities	6,111	8,632

All figures supplied by Provincial Treasurer.

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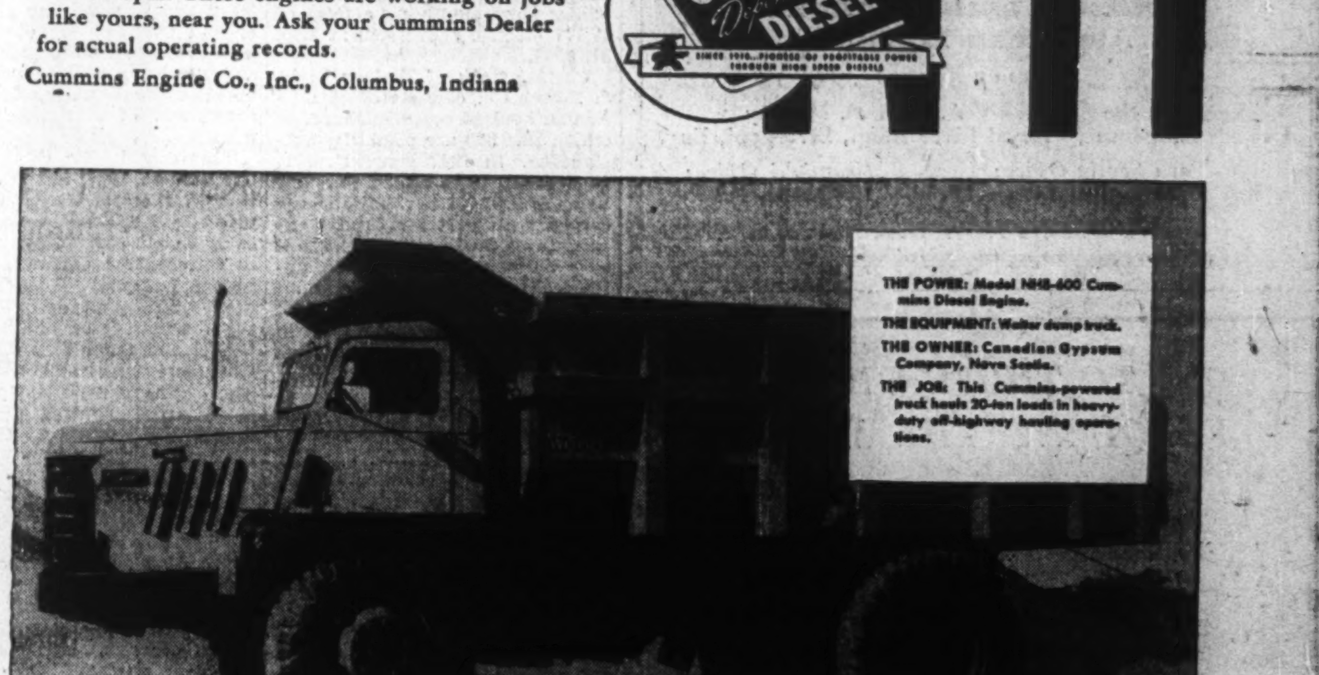

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$4 Million Chemical Plant for N.B.

A $4 million industrial chemical development based on the needs of the Maritime Provinces for fertilizers is now under way in New Brunswick and represents one of the biggest new developments in the Maritimes.

Atlantic Chemicals Co., a new company and an all-Maritime organization, has been formed to develop plans for a new plant to produce superphosphates and cement which will be located on the Petitcodiac River about 14 miles from Moncton, N.B. A site of 120 acres near the mouth of Weldon creek, adjacent to highway No. 14 and the Albert branch of the Canadian National Railways has been acquired. In addition it will have mineral rights for about another 120 acres.

The company hopes to start on the actual construction of the plant some time this summer and preliminary engineering work is nearing completion.

The company plans to use local anhydrite ($CaSO_4$) to produce simultaneously Portland cement, sulphuric acid and superphosphate fertilizer. A plentiful supply of raw materials is assured from local sources. Large deposits of anhydrite from nearby areas, enough for many years, have already been secured and local shales and clays will be utilized. Simultaneous manufacture of the above products permits economies not usually possible, it is stated.

The process involves the mixing of the anydrite and shale to produce simultaneously Portland cement and sulphur dioxide. This process has been successfully used in Europe but never in America before, it is stated.

The Portland cement plant planned will be a single kiln plant with a capacity of about 1,200 barrels a day with the usual ancillary quarries, crushing and grinding plants and facilities for storage and shipment.

The gases, evolved from the kiln, containing about 6% sulphur dioxide will be cleaned and converted to sulphuric acid in a plant with a capacity of 150 tons per day (100%). Nearly all the acid will then be sent over to and used in the adjacent superphosphate plant which is expected to produce 90,000 tons of finished superphosphate a year. This latter unit will include storage buildings for phosphate rock and finished superphosphate as well as rock grinding and acidulating equipment.

Docks and Roads

Plant facilities necessary will include maintenance shops, office and laboratory, about two miles of roadway, about 2½ miles of railroad sidings, yard locomotive and cars and power plants. It is expected that the Dominion Government Department of Public Work will help by installing important facilities of sufficient size to be able to handle 10,000-ton ships.

It is contemplated that the plant will supply a fair proportion of the superphosphate and cement now being used in the Maritime provinces, all of which is now shipped in from distant points, Manager and Director of Engineering S. R. Frost states.

Superphosphates is the main ingredient in the manufacture of mixed fertilizer. The company expects to sell its production to these manufacturers of which there are seven large ones in the Maritimes. They are the Island Fertilizer Co., Charlottetown; Summerside Fertilizer Co., Summerside, P.E.I.; Canadian Industries Ltd., Halifax, N.S.; Colonial Fertilizer Co., Windsor, N.S.; Canada Packers Ltd., Port Williams, N.S., and Saint John, N.B.; International Fertilizer Ltd., Saint John N.B. and Summers Fertilizer Co., St. Stephen, N.B.

Eastern Canada consumes about 325,000 tons of superphosphate a year of which at present only 200,000 tons is made in Canada, Mr. Frost states. Thus the new production will be replacing imports and as a result the company expects to save Canada $1 million a year in U. S. funds, he adds.

Aim at U. S. Markets

In addition there is no duty on either sulphuric acid or superphosphates or fertilizers going into the United States and, with operating costs expected to be well below the average, the company hopes to be able to compete in the United States, Mr. Frost said. In addition, being located on salt water, it is hoped to get quite a bit of export business and to ship cement to Newfoundland.

Total cost of the project is expected to be around $3½ to $4 millions. There has been a sustained amount of private money pledged for the project but it is expected that some financing will be needed before its completion. The complete financial program has not yet been worked out, Mr. Frost states.

Directors of the new company are: Senator F. W. Pirie, Grand Falls, N.B., president; A. A. Scales, Charlottetown, P.E.I., vice-president; H. J. Rowley, Fredericton, N.B., secretary-treasurer, and S. R. Frost, Moncton, N.B., manager and director of engineering.

The importance of fertilizer to the Maritimes is indicated by the fact that during the war years the Government paid up to $1 million a year in subsidies on superphosphates, Mr. Frost stated.

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Industry in the Maritimes

(Continued from page 32)

creased depreciation and depletion charges and a $15,725 provision for income tax, against no payments in 1946, left 1947 profits just about $5,000 higher at $36,482. Common earned $4.86 as against $4.09. Working capital at $308,846 at Dec. 31, 1947, was at the highest figure since 1943.

Stanfield's Ltd.

Stanfield's Ltd. manufactures high-grade woollen underwear and rayon underwear which is sold under the trade names of "Stanfield's Unshrinkable" and "Nova Silk." The sale of underwear constitutes approximately 85% of the company's business, the balance being in socks and knitting yarns.

The company's mill and head office are located at Truro, N.S., and offices are maintained at Montreal, Winnipeg and Vancouver. The plant is modern and efficient and travelers are maintained in every province in Canada.

The original business was established in 1856 and in 1905 the company was incorporated under the name of Truro Knitting Mills Co., this name being changed in 1924 to Stanfield's Ltd. The company handled a record volume of business in 1947 with net profits totaling $248,691 as against $128,959 in 1946, which covered a 10-month period. Earnings per share were equal to $4.14 on the new Class A ($2.15) and $2.13 per Class B share (93c). Working capital also hit a high point, amounting to $2,031,263 at the end of 1947, compared with $1,749,270 at Oct. 31, 1946.

President Frank T. Stanfield recently advised The Financial Post that operations were continuing quite satisfactorily in 1948 so far, with volume expected to be about in line with 1947.

St. George P & P

St. George Pulp & Paper Co. operates the only paper mill in the province of New Brunswick which confines its production exclusively to mechanical pulp. The mill, located at St. George, is at the mouth of the Magaguadavic River, 35 miles from the Maine border.

The mill was destroyed by fire at a loss of over $250,000 in October, 1946. Reconstruction of the plant was started in the early spring of 1947 and was completed Jan. 10, 1948. The mill, utilizing some 125 persons, has been enlarged and production increased approximately 20%. The plant, during reconstruction, was completely electrified with each machine now motor-driven individually and more modern pulp machines installed.

The history of the mill dates back to 1902 when it was established by New York interests, but in 1920 the original owners disposed of holdings to the New York World. The New York World sold out in 1927 to the International Paper Co., New York City, and then in 1932 control was purchased by Edouard Lacroix, St. Georges, Beauce, Que., and Senator Page of Skowhegan, Me. In December, 1947, Senator Page sold his interest to Antoine J. Lacroix of Saint John, N.B.

Saint John Sulphite

Saint John Sulphite owns and operates a pulpwood mill at Fairville, N.B., at the mouth of the Saint John River. The mill has a daily capacity of 110 tons of bleached sulphite pulp or annual production of approximately 40,000 tons. The mill was formerly operated by Port Royal Pulp & Paper Co., but acquired by present interests in March, 1946.

The company owns an undivided freehold interest in timberlands in the northeastern section of Maine totaling 51,345 acres, as well as 68,715 acres of timberland in Carleton and York Counties, N.B. The areas are estimated to contain 656,509 cords of spruce and balsam in addition to stands of pine, cedar and hardwood.

The properties in Maine include roads, bridges, dams, depots, camps and logging equipment. The log driving facilities owned by the company include holding grounds, sorting gap, piers, booms and riparian rights on the Saint John River at Van Buren and Keegan, Me., and Lincoln, N.B.

Saint John Sulphite also controls 29.6% of the outstanding preferred and common shares of Allagash Land Co., which owns 85,144 acres of timberland in Aroostook, Penobscot, Somerset and Piscataquis Counties, Me., containing an estimated 537,916 cords of pulpwood.

A balance sheet at Oct. 31, 1946 (latest available), showed current assets of $784,490 and current liabilities of $246,473. Funded debt totaled $2.5 millions.

Sussex Ginger Ale

Sussex Ginger Ale Ltd. was formed in 1929 as a merger of Sussex Mineral Springs Ltd. (started in 1885) and Sussex Beverage Co. (organized in 1912). The company operates a carbonated beverage plant at Sussex, N.B., and holds a firm and established place in the beverage field of the Maritime Provinces. In 1944 control was purchased by a group of Maritime businessmen headed by Hugh Mackay of Rothesay, N.B.

In 1941 the company's sales reached 500,000 cases, but from 1941 to November, 1947, production was curtailed somewhat due to impact of government regulations on use of sugar and other materials. Since sugar rationing was discontinued sales have greatly increased, Manager J. A. Ferguson states.

Early in 1948 a modern manufacturing plant was opened in Halifax for the purpose of meeting the increased demand for Sussex beverages in Halifax City.

Wallace Mfg.

Wallace Mfg. Co., Sussex, N.B., is engaged in the manufacture of school furniture, refrigerators, millwork, builders' supplies, store fixtures and lumber products in the wood processing plant. The foundry and machine shop manufacture lath machines, wood sawing machines, grey iron castings, mill repairs and supplies. The plants handled over six million ft. of lumber in 1947, from the log stage to finished products, and the sawmill turned out approximately four million ft.

Zeller's Ltd.

Zeller's (Nova Scotia) Ltd. and Zeller's (N.B.) Ltd. are operating subsidiaries of the well-known Zeller's Ltd. which conduct a chain of variety stores from coast to coast. The former operates two stores in Nova Scotia and the latter three stores in the province of New Brunswick.

Individual financing or operating statements are not submitted for publication as assets and liabilities of these two of five underlying units are consolidated in the financial statement of Zeller's Ltd. However, consolidated sales of the parent company in fiscal year ended Jan. 31, 1948, increased 22% to $16,949,232. Net 1947-1948 profit of $791,672 compared with $606,010 in 1946-47. The parent company operates 30 stores in Canada, having opened new stores in Cornwall and Chatham, Ont., in 1947.

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Maritime Farm Output Higher in Value But Still Lags Behind Dominion Ratio

The Maritimer works a smaller farm than the average Canadian, but he owns it. He runs it with less employed help and fewer appliances. Though his farm isn't up to the Canadian average in statistical value, it has long given him a sense of stability.

This year, as he watches the weather for a forecast of his immediate economic future, the Maritime farmer finds it a little more difficult to push some disturbing thoughts from his mind.

Last year's crops put more cash in his pocket, that's true. But with prices for farm produce hitting new peaks, cash income was up in every province except Nova Scotia. Taking the three Maritime provinces together, cash income rose a modest 3.2% last year. In contrast, the over-all Canadian farm income rose 13.6%.

Here's how the cash income figures shape for the three provinces:

	1946	1947	change
	($ millions)		
P.E.I.	17.2	19.0	+10.5%
N.S.	34.2	33.1	— 3%
N.B.	35.9	38.3	+ 6.7%
Maritimes	87.3	90.4	+ 3.2%
Canada	1,752.7	1,990.6	+13.6%

That total for 1947 Maritime farm income breaks down as follows:

Gr. & field crops	$34.2 millions
Livest'k & Pdts.	54.7
Misc.	1.5
	$90.4

With the three provinces combined in this way, each of the categories above shows a slight increase over the previous year.

The Record for P.E.I.

In proportion to its size, Prince Edward Island is by long odds the most agricultural province in Canada 83.3% of its total land area consists of occupied farms. The other provinces come nowhere near that ratio, Saskatchewan being second highest with 39.4%, while the average for all Canada is 13.7%.

The actual number of farms in Canada's smallest province is 12,280. Appropriately, the farms themselves are the smallest in Canada, averaging 95.9 acres, compared with a Dominion average of 238.7 acres. These small farms are not, however, the least valuable in the country. The 1941 census showed average values at that time of $1,448 for land, $1,366 for buildings, $475 for implements, and $532 for livestock—a total of $3,821, compared with $5,776 for Canada as a whole. (New Brunswick's total was $2,575.)

Farm capital was estimated at $62.8 millions in 1945, and the industry accounted for 61% of the value of the Island's total production. Fifty-two per cent of all gainfully employed persons are engaged in agriculture.

The following breakdown according to major classification of products reveal the income trend over a three-year period.

Prince Edward Island

	1945	1946	1947
	($ thousands)		
Grains & field crops	5,212	5,056	5,541
Livestk. & products	10,805	11,690	12,923
Misc.	451	471	514
Total	16,468	17,217	18,978

Breaking it down a little finer puts the potatoes at the top of the list of P.E.I. agricultural products. The trend in recent years has been toward the production of seed potatoes rather than of the table stock. Last year, Island growers persuaded the government to pass legislation requiring all growers to produce certified seed. The object is to make the Island a disease-free area. Principal market for P.E.I. seed potatoes lies along the East Coast of the United States.

In the following table, the Island's principal farm products have been arranged in order of their 1947 value (cash income to farmer). Only those products bringing in more than $1 million last year are shown.

Prince Edward Island

	1945	1946	1947
	($ thousands)		
Potatoes	4,804	4,596	4,894
Hogs	2,675	3,030	3,557
Cattle & calves	2,173	2,629	2,937
Dairy products	2,314	2,380	2,573
Eggs	1,467	1,475	1,739
Fur farming	782	809	1,054

Where Nova Scotia Stands

Nova Scotia has 32,977 farms and they occupy 29.1% of the total area of the province (third highest ratio in Canada). With an average of 117.1 acres per farm, they are larger only than those of P.E.I. The 1941 census showed an average value of $2,711, breaking down as follows: land, $746, buildings, $1,266; implements, $344; and livestock, $355.

Owner-occupancy is high as it is in all the Maritime provinces, the ratio for Nova Scotia being 92.12%. Farm capital amounted to $121.4 millions in 1945. Agriculture accounted for 12% of the total value of Nova Scotia production, and involved 19% of all gainfully occupied persons.

The major breakdown shows that last year's dip in Nova Scotia's farm income falls into the "grains and field crops" category.

Nova Scotia

	1945	1946	1947
	($ thousands)		
Grains & field crops	7,076	11,814	10,191
Livestk. & products	19,850	21,935	22,493
Miscellaneous	348	444	414
Total	27,274	34,193	33,098

Following through with a re-arrangement of principal farm products according to their 1947 cash value ($1 millions and up), the decrease can be pin-pointed a little finer. In the "grains and field crops" category, there were decreases in the value of fruit production (apple pickings were cut by spring frosts) and in potato production.

Nova Scotia

	1945	1946	1947
	($ thousands)		
Dairy products	7,984	8,210	8,662
Cattle & calves	4,077	4,949	5,259
Forest products sold off farms	3,403	3,752	4,611
Fruits	1,557	5,703	3,640
Hogs	2,671	2,309	2,712
Poultry	1,793	2,734	1,604
Potatoes	1,290	1,543	1,174

(Potatoes, it will be noted, are at the bottom of this list, but at the top of those for P.E.I. and New Brunswick.)

The increase in the "livestock and products" category is all the more significant when it is noted that a decrease in the value of poultry production has been absorbed. The increase in the larger farm animals will please the experts. They've been saying for some time that the Maritimes are too dependent upon their "typical" cash field crops, such as apples and potatoes. Better, they say, to develop the Maritimes livestock potentialities until these provinces become "the Denmark of the New World."

New Brunswick Farms Larger

Coming into New Brunswick from Nova Scotia, the average farm gets slightly larger (124.9 acres), while the average value per farm (at 1941 census) drops to $2,575, divided as follows: land, $908; buildings, $949; implements, $347; and livestock, $371.

There are 31,889 of these farms in the province (only slightly less than N.S.) and the percentage of owner-occupancy (92.48) is about the same. These farms occupy 22.5% of the land area of the province.

By 1945, New Brunswick's farm capital was estimated at $132.7 millions, and the industry accounted for 22% of the total value of the province's production. It engaged 27.7% of gainfully employed persons.

The major breakdown shows that the value of "grains and field crops" has been running almost as high as "livestock and products" in New Brunswick.

New Brunswick

	1945	1946	1947
	($ thousands)		
Grains & field crops	16,228	16,510	18,452
Livestk. & products	18,796	18,773	19,231
Miscellaneous	580	572	590
Total	35,604	35,855	38,273

The re-arrangement of principal products according to 1947 income over $1 millions shows that the important item, potatoes, almost climbed back to its 1945 value after a sharp dip in 1946.

New Brunswick

	1945	1946	1947
	($ thousands)		
Potatoes	9,377	8,885	9,123
Forest products sold off farms	5,504	6,068	7,458
Dairy products	6,351	6,094	6,878
Cattle & calves	3,965	4,040	3,650
Hogs	3,055	2,865	3,569
Eggs	2,159	1,803	2,132
Poultry	1,687	2,089	1,126

Here, too, the drop in the value of poultry marketings has been acute.

Hired help is not a significant factor in Maritime agriculture, the total number so employed probably running around 3,000. Prince Edward Island, which pays the lowest farm wages of any of the provinces, was alone in reporting still lower wages last year. In contrast with the other two Maritime provinces, New Brunswick farm labor is generally paid more than the Canadian average.

Following are the average monthly wages of male farm help (as at August 15, each year):

	With board		Without board	
	1946	1947	1946	1947
P. E. I.	$55.76	$55.50	$77.96	$75.16
N. S.	67.45	72.44	91.57	101.00
N. B.	78.61	86.88	103.17	107.63
Canada	75.28	82.75	100.62	109.03

All in all, the record shows that the Maritime farmer is much better off than he was prewar.

CITY OF STRATFORD, Ont. has sold by tender $1 million 3% 20-year installment debentures to Isard, Robertson & Co. Price was $99.46 which represents a cost to the city of 3.06%. Proceeds are for a new hospital.

Moss Industry One of Seven Making Over N. S. Naval Base

The big wartime naval base at Shelburne, N.S., has been converted by business and provincial Government into a promising new industrial community reminiscent of Quebec City's accomplishment at St. Malo, Que., and of Ottawa's aims for Ajax, Ont.

Work for idle runways and recent war workers at the sprawling Shelburne depot will be provided by **Kraft Foods Ltd.**, Montreal. Kraft Foods, one of three property buyers and four lessees at the big base, will dry, bleach and distribute Irish moss, using a large building which it has purchased and runways on which it has obtained occupation rights. Kraft contemplates later establishment at Shelburne of a complete processing plant for Irish moss if demand and the supply available increase.

The Government of Nova Scotia, having obtained from War Assets Corp. a 10-year lease on the former naval base, its rail spurs, powerlines, water system and other main services has turned over responsibility for development of the "community" to its departments of Highways & Public Works, Industry & Publicity, Health & Welfare. In addition to industrial developments, other buildings have been converted for use as hospitals, boys' school and public works office and yard.

Here are the other six initial industrial developments at Shelburne (besides the Kraft Foods Irish moss project):

Van Rez Products, financed locally, lease, to establish manufacture of laminated furniture for Maritimes and export markets; equipment now being installed.

Neptune Development, financed locally, lease, has opened laundry and dry cleaning establishment.

Whitmoyer Laboratories, already operating in Nova Scotia, purchase, to process cod liver oil with supplies from a local fish processing plant and other South Shore centres.

Shelburne Fisheries, lease, two buildings to make fish meal and increase its existing facilities.

W. C. McKay & Sons, Shelburne shipbuilders, purchase, 200-ton marine railway to repair fishing boats and other wooden craft.

W. T. Dauphinee, Shelburne monument maker, lease, large building to which entire operation of company is being transferred to expand output and employment.

A number of remaining minor structures at the base are being offered for disposal by the Nova Scotia Government at Halifax.

Here Are Problems Facing Maritimes' Lumber Trade

Distinctly different prospects for 1948 face the two major divisions of the Maritimes' forest industry.

In the pulpwood, etc. division, production is expected to be at least equal to and possibly slightly higher than 1947's for both Nova Scotia and New Brunswick.

But in the sawlogs, lumber, etc., business, a sharp decline is expected for 1948 due to smaller British buying—the Maritimes' chief outlet for rough lumber. From the Maritimes and Gaspé the British have contracted to buy only 60 million b. ft. of lumber, whereas they used to purchase over 100 million b. ft. from Nova Scotia alone.

While the drastic cut in the British purchases (forced by that country's exchange difficulties) is important to both provinces, it probably hits Nova Scotia harder as production of logs and bolts heads the list of products there. Pulpwood heads the list of products in New Brunswick and firewood in Prince Edward Island (where forest industries are now of local importance only).

30% to U. K. in 1947

The export of lumber from Eastern Canada was continued under government control throughout 1947. Approximately 40% of the cut was retained for domestic purposes, 30% exported to the United Kingdom and 30% to the United States and other countries. Other countries, though smaller users, are very important and, as a rule, are lucrative markets, John Bigelow, secretary-manager of the Maritime Lumber Bureau, states. South Africa, Ireland, Holland, Belgium, France and Mediterranean countries, West Indies and South America have all been consumers of Eastern Canadian lumber, he says.

Due to the Maritimes lumber production of rough lumber for the British market, the industry's total dressing capacity is limited, whereas demand from other markets, particularly the large U. S. market, is for dressed lumber. Thus if the British continue on unable to purchase their former amount of Maritimes lumber, mills will be forced to add planing and other such facilities which will hit the smaller operators.

Safeguard Reputation

One other big problem requires some definite action for protection of the future of the industry, those concerned with the industry's welfare state. That is the institution of a system of grading or at least inspection of export shipments, to prevent bad shipments of lumber. These invariably find their way to the most lucrative markets, giving all Maritime lumber a bad name.

The realness of this problem was illustrated by the comment of the buyer for a large South African lumber importing firm to The Financial Post. His firm had purchased a shipment of Maritimes' lumber and found some of it "bad"; with the result that his firm would not now touch Maritimes' lumber except as a last resort and would not accept any liability in its purchase for a customer. This buyer had been with the British Timber Control during the war and said the British had had the same experience.

That New Brunswick lumber acceptance can be greatly improved in the United Kingdom and that grading as promoted by the Maritime Lumber Bureau is receiving favorable reception was reported by W. A. Moore, New Brunswick Deputy Minister of Industry and Reconstruction, and Dr. H. J. Rowley, Chairman of the New Brunswick Resources Development Board, following a trip to the United Kingdom last year.

Standardized Inspection

The Maritimes Lumber Bureau is an association of producers and exporters whose trade promotion program is sponsored by the governments of Nova Scotia and New Brunswick. The Bureau provides an impartial standardized inspection service, collects and distributes statistics and promotes the interchange of information among its members. It also provides a medium for negotiation with the lumber business representatives of other countries; and makes it possible for the Maritimes' industry to negotiate on equal terms with similar organizations in competing countries.

The forested area of the Maritime provinces comprises 34,400 square miles or 68% of the total land area. Of this, 22,190 square miles or 64% is in New Brunswick, 11,600, or 34% in Nova Scotia and 610, or 2% in Prince Edward Island.

1946-47 Output Up

Total production of timber products in Nova Scotia in the 1946-47 season was 537.2 million f.b.m.—12.7% higher than in the previous season (476.6 million f.b.m.). Of this, 395.7 million f.b.m. was softwood lumber, 37.5 million f.b.m. hardwood lumber and 78.0 million f.b.m. (155,961 cords) pulpwood with the balance in other products. Both lumber and pulpwood for export showed marked increases in the year with pulpwood for local consumption showing a 20.7% drop.

Present indications point to a 25%-30% drop in Nova Scotia lumber production for 1948, with pulpwood to be about the same as last year, The Post is told. If market conditions become more favorable, N. S. production could be jumped rapidly as the forests are small and accessible, it is stated.

From New Brunswick crown lands, the total cut of sawlogs, veneer logs, etc., in the year ended Aug. 1, 1947, was nearly 90 million board feet—eight million f.b.m. more than for the previous year but 21 million f.b.m. or 20% less than the average for the previous five years.

For the year ended Aug. 1, 1948, N. B. officials estimate production from Crown lands will be about 90 million f.b.m. of lumber and 540,000 cords of pulpwood—about the same as in the previous year.

From private holdings, however, the trade estimates the lumber cut will be only about 60% of the previous year's cut of around 200 million f.b.m.; but the pulpwood cut may be up in order to satisfy the increased capacity of the pulp and paper mills.

Total pulpwood used in N. B. mills or exported from the province amounted to 1,540,000 cords in 1947 (1,415,000 in 1946 and 997,336 in 1939).

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As a people, Maritimers are deeply rooted in their faith in the three Atlantic provinces — a faith they have held through good times and bad.

They're still holding that faith.

Here's proof that Canada's million Eastern Seabord people are looking to the future with confidence:

Maritime housebuilding contract awards at $5.3 millions in the opening four months of 1948 are up 390% from a year ago. Not in any other Canadian region can such a performance be matched. Residential construction awards for all Canada recorded in the period by MacLean Building Reports Ltd., are up too, but only 142% from a year ago in contrast with the Maritimes' 390%.

And awards to contractors for building of stores, theatres and garages, schools, hospitals and churches collectively — at another $5.3 millions in the four-month period — are up 342% from a year ago, while for Canada as a whole, "no change" is reported.

Factories Just Pause?

True, there is evident in the Maritimes a weakening in factory expansion considerably more pronounced than that recorded for the nation. The all-category construction award total at $17 millions in the Atlantic provinces for the four months is down 7% from a year ago, as against a 10% rise for the Dominion.

But the rise in residential, commercial and institutional expansion is thought by many observers of the construction trend to be more significant of continued growth than the perhaps momentary lapse in factory building. Strengthening that view is a continued high level of electric, telephone and other engineering expansion, with four months' awards in the Maritimes at $6.2 millions. This represents a decline of 32% from a year ago, but the decline nationally was even greater — 38%.

Here's the way MacLean Building Reports boiled down the statistical picture of Maritime and Canada construction awards for the opening four months of this year:

How the East Beats National Building Pace
(Maritime construction awards 4 months 1948 in millions of dollars as recorded by MacLean Building Reports division of Hugh C. MacLean Publications)

Category	4 Mos.	% Change from year ago	Canada % change
Housing	5.3	+390	+142
Comm'l., Inst'l. Bldg.	5.3	+342	unchanged
Factories	0.1	—96	—28
Eng'g. works	6.2	—32	—38
All types	17.1	—7	+10

Of 39,180 dwelling units reported by Dominion Bureau of Statistics as under construction in Canada at May 1, some 2,936 are credited to the Maritime provinces. Of 18,298 new Canadian houses and apartments completed in the opening four months, 773 are in the Maritimes.

Industry's Plans Ambitious

More than $44 millions is budgeted for new construction and machinery in 1948 by Maritimes manufacturers, mine and woods operators, owners of central electric stations, telephone and electric railway systems.

That's the finding in the latest of Ottawa's periodic surveys of actual and planned spending by business and government.

If recent spending plans in the Maritimes are fully realized, the total will be nearly 5% higher than the preliminary estimate of actual spending in 1947 as reported by the same source.

Here's how the six groups contributed individually to 1947 spending and what, recently, they aimed to do this year:

Maritimes Capital Spending*
(Millions of Dollars)

Group	1947	1948
Manufacturing	23.9	24.3
Mining	3.5	1.2
Woods	0.7	0.4
Cent. elec. stations	8.7	8.8
Telephones	5.3	6.4
Elec. rys.	nil	3.0
Total	42.4	44.3

*Private and public investment in Canada, outlook 1948—Dept. of Reconstruction & Supply, Ottawa, preliminary estimate of actual capital spending 1947; forecast for 1948.

For nonmetallic mineral products the aim is toward a $3.3 million year of capital spending, up tenfold over 1947. Chemicals and allied products budgeting close to $300,000 would be up 60% from last year. Wood and paper products at $9.2 millions, by far biggest in the list, aims at a 15% rise.

Those are the present strengtheners in the manufacturing group, with budget increases more than offsetting indicated reduced spending in the vegetable, animal and textile branches. Iron appears to be holding last year's levels of capital spending.

Mining and woods operations show decline or pause in expansion; both made their postwar splurge earlier. Central electric stations with an $8.8 million budget would be up only fractionally from 1947 but nearly triple the 1945-46 totals for this group. Telephones, with a $6.4 million program lined up may be spending 21% more than last year and nearly triple 1945-46 totals.

Sharpest rise is indicated for electric railways with a budget of $3 millions for 1948 against $300,000 in 1945, $600,000 in 1946 and virtually nothing last year.

World's Fur Farmers Meet at Charlottetown

At Charlottetown July 12, heads of fur companies and the fur farmers of Canada, United States and more than a half dozen other fur-breeding countries will stage a week-long International Fur Breeders' Conference to share ideas for improved breeding practice and marketing procedure.

Sponsors are the Canadian National Fox Breeders' Association and Dominion Fur Council, with co-operation of the Prince Edward Island Government.

Norway—world's largest producer of silver foxes and mutations, with 300,000 pelts in 1947; Sweden which is another major producer and United States are definitely sending sizeable delegations. Russia and Japan are among other countries invited to sit in.

Choice of the Garden of the Gulf and its capital city as scene of the conference is logical.

P. E. I. World Pioneer

Prince Edward Island is said to have been first place in the world to start silver fox farming. Today, among Canadian fox-breeding provinces it enjoys front rank in number of fox farms, with 566 of Canada's 4,245 in 1945 (latest statistical year), beating Ontario's 436 and second only to Quebec's 1,875. And of 112,000 silver foxes killed for pelts on Canadian fur farms in 1945, nearly 16,000 were in P. E. I.

Prince Edward Island's 566 fur farms in 1945 had a capital value put at close to $1.6 millions, with 126 workers and an $80,000 payroll. Of the 566, some 318 were in Prince county, 181 in Queens, 68 in Kings. New Brunswick had 426 worth $925,000; Nova Scotia, 380 worth $672,000.

Fur-farm revenue in P. E. I. that year was close to $800,000 mainly from pelts but including $113,000 of live animals.

Casualties Rise

Right now, fox farming is going through one of the worst periods in its history, with prices at their lowest level in many a year, according to leading P. E. I. breeders. Relative newcomers to the business are finding survival decidedly difficult and even long-established operators have shrunk a little in number and scale of operation.

The market had been quite firm up to Sept., 1946. Then, with unexampled suddenness, a price drop of about 40% occurred. This was due mainly to sale in Europe of over 100,000 Norwegian pelts, some of which had been in storage since 1944. These were sold to a syndicate at what was reported to be a very low price. What's more, many had deteriorated and when they reached markets formerly supplied by Canada and United States they did considerable harm by damaging the reputation of silvers and mutations.

Another factor contributing to the 1946-47 price drop was entry into Canada and United States of a vast quantity of furs from China, Japan, Russia and other countries with low-valued currency. So much of this "Asiatic" import was manufactured and displayed in North America that the influx very clearly reduced custom for silver fox.

Yet another factor in the fox price decline was a large-scale expansion of North American mink farming. Mink production in United States and Canada is now well over the million mark and mink, in both natural and mutation form has been widely featured with attractive styling and shrewd publicity. To an extent very definitely alarming to fox breeders, the public has been weaned away from long-haired furs formerly considered the height of fashion; skilful publicity has made short-haired furs such as mink and muskrat more popular.

But Fashion Fickle

There is some sign, however, of a halt in this trend; some new encouragement for hopes consumer preference again may favor silxer foxes — and their mutations, pearl platinum and white faces.

France is the country most responsible for regrowth of optimism here. Silver fox has always been popular in France and stylists there recently have brought out a lot of new designs in capes, neckpieces, other garments which have been well received in world markets, particularly United States and Canada.

Opening up of the London market, too, has helped add a silver lining to the clouds of fox farming.

The new French styles and London's beckoning finger aren't overestimated by P. E. I. ranchers. But many of them have recently taken new heart from those two developments and, as one P. E. I. leader in the Canadian National Fox Breeders' Association said a few days ago to The Financial Post:

"It is not too much to expect that within a year, silver fox will be back again on a profit basis on the fur farms of Canada."

Whether that is overoptimism only the year ahead will tell. But P. E. I. fur farmers in the main are sticking to foxes; not in important numbers joining the parade of North American ranchers to mink.

Favoring optimism is the fact that in Canada and United States there has been a cutback in breeding stock of at least 40%, with expectation of further reduction this fall. As a result, the expected production of silver foxes in North America in 1949 probably won't reach 200,000 pelts, as compared with 450,000 in 1946.

Last year, P. E. I. fur farmers didn't make their cost of production and, as there are other and profitable pursuits open, many pelted off their foxes and changed to other lines. But the top breeders who take the show prizes are still carefully guarding their herds — they realize they've a priceless possession in some of the main strains which, if abandoned, couldn't be replaced later. Best foxes in United States, Norway, Sweden, etc., are offspring of P. E. I. foxes. Originator of the fox industry was Charles Dalton of Tignish, P.E.I., and many of the Island's farms are stocked with Dalton foxes.

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Frost, U. K. Dollar Drought Hit Nova Scotia Apple Market

The apple industry of Nova Scotia, concentrated largely in the Annapolis Valley, was faced with two major upsets in 1947. Due mainly to early spring frosts, the province's apple orchards produced only 1.2 million barrels in 1947 (two million barrels in 1946). Even more serious, however, was the failure of the British market to buy any Nova Scotia apples due to that country's exchange difficulties.

For many years Great Britain has been the traditional market for Nova Scotia apples and prior to the war took the greater bulk of production. Consequently, to a great extent, the development of the province's apple growing industry has been based on the demands of the British market.

Now it appears that the Nova Scotia apple industry must concentrate its attention upon the home market. This calls for a change in varieties, up-to-date packaging and cold storage. Consequently there is now under way a three point program for preservation of the industry. It plans:

(1) To convert the Nova Scotia apple production to the better eating quality, high colored varieties which are more popular in North America and gaining in popularity throughout the world. Varieties now produced are more suitable for long distance transportation.

(2) To build modern cold storage plants in order to place the dessert apples on the market in the best possible condition.

(3) To change from the barrel to the box as the latter is more attractive to the Canadian market.

Saw Change Coming

Since modern transportation facilities and cold storage were not available, the varieties of apples produced in Nova Scotia for sale in its chief market, Great Britain, were largely varieties which would be shipped in barrels long distances without the benefit of refrigeration and which still could be placed on the markets of the United Kingdom in a reasonably attractive condition.

Even prior to the war, due to the increasing production of apples in England and with the development of improved transportation facilities and refrigeration and cold storage, Nova Scotia apple growers recognized that a large percentage of the varieties grown in the province no longer posses the same commercial value they once had. Accordingly plans were made to rehabilitate the industry by changing over orchards to the production of such varieties as MacIntosh and Delicious—two of the varieties which the consuming public seem to prefer in preference to most others.

With the failure of Great Britain to take any Canadian apples in 1947 and the prospects rather dim for that market for some time to come, steps had to be taken right away.

As a result of a submission which the industry made to Federal authorities through the provincial government, a program has been drafted for the removal of old and undesirable trees and the encouragement of the grafting over of many healthy trees of undesirable varieties to those which have greater market appeal.

The Federal Government will assist in the removal of 240,000 non-profitable trees over the next three years to the extent of $500,000 for the 1948 season, $400,000 for the 1949 season and $300,000 for the 1950 season. The province has arranged that farmers will be paid a subsidy of $4 a tree, $2 when the tree is cut or pulled and $2 when the field is cleared.

Work started on pulling up orchards on May 3, with bulldozers being used in some cases. Applications had been filed with the province by mid-May for pulling out 175,000 trees. The difficulty of this program is that it will require from seven to 10 years before there is a crop from the new trees.

According to the 1941 census Nova Scotia had 1,587,566 covering 30,368 acres of land. Consequently the pulling of 240,000 trees would only affect about 15% of the total number of trees according to the census figure.

The Grafting Program

The second part of this program calls for the grafting of many trees from undesirable varieties to the more desirable as Delicious and MacIntosh. Under this method there should be a reasonably good crop in three years. For the grafting program the government will pay 50% of the cost of grafting work up to a maximum of $5 a tree (the estimated total cost of grafting is $10 a tree) while the grower will pay the other 50%. Actually the growers' part will come out of the growers' pool which will be based on the potential production of the trees this fall.

Due to the need to place the dessert apples on the market in the best possible condition, two modern cold storage plants have been put in operation in the fruit growing area and the construction of a third plant at Coldbrook was started this spring. The first plant, built in 1946 at Coldbrook, storage capacity of 150,000 boxes, cost about $300,000. The second was completed last fall at Hillaton, (near Canning) and has refrigeration space for 80,000 barrels and storage capacity for several thousand more. The establishment of these plants has been assisted by the province under the provisions of its Cold Storage Assistance Act. They were built by the United Fruit Companies of Nova Scotia.

At the start of the war, the Dominion Government guaranteed a minimum price for the Nova Scotia apple crop under which growers got enough to cover their out-of-pocket expenses. This was necessary to protect the industry from the economic impact of loss in the U. K. market.

Floor Price Established

To take care of the immediate problem of the loss of the British market in 1947, an arrangement was made with the Dominion Prices Support Board under which the growers were guaranteed a minimum average net return of $2.25 per barrel for all varieties and grades.

As the powers given to the Apple Marketing Board under legislation had culminated, and the need for a central marketing agency was still as urgent as ever, it became necessary to re-establish the Nova Scotia Apple Marketing Board under the provisions of the Provincial Natural Products Marketing Act. This was done last summer after approval was given it by vote of the growers. All of the past season's crop is being handled through the newly constituted Board.

While the marketing of the current apple crop had not yet been completed, the Apple Board reported reasonable success in its work up to Dec. 31, 1947. At this date it had disposed of about 2.5 million bushels of apples out of the estimated crop of 3.6 million bushels. Of these, approximately 800,000 bushels were marketed as fresh fruit and the balance has been processed into such products as canned apples, dried apples, applesauce, apple juice, vinegar and apple syrup. Markets for fresh and processed apples included, aside from Canada and Newfoundland, the United States, Brazil, Cuba, Venezuela, Bermuda, British West Indies and Palestine.

The Federal Government has stated that it will support the marketing of the 1948 apple crop on a basis similar to that which has been given since the beginning of the war and will make a definite agreement with the industry in July or August. This agreement will give "consideration to the apples eliminated from production by the grafting program which otherwise would qualify for assistance," it is stated.

It is expected that the final agreement to cover the 1948 crop will be adequate, the Nova Scotia Dept. of Agriculture states.

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SWEET CAPORAL CIGARETTES

N. S. Baryte Find Helps U. S. Dollar Situation

Result of a wartime search for strategic metals is today providing Nova Scotia with some $700,000 to $750,000 revenue annually in payroll and supplies; is aiding Canada's dollar economy to the tune of $1.5 to $2 millions yearly in much-needed U. S. dollars.

Canadian Industrial Minerals, owning the largest single known barytes ore body in the world—outside of Germany—at Walton, Hants County, is the outgrowth of Karl Springers' (Springer Sturgeon Gold Mines) wartime search for a commercial deposit of manganese. The manganese search was abandoned on discovery of the barytes deposit which has proved a three-fold success—for the province, for Canada's dollar needs, for C. I. M.

Prior to Britain's blockade of channel ports, Germany supplied about 50% of all barytes used in the world; United States 30%; Russia, Great Britain, Korea, Greece, Turkey and other countries the remaining 20%.

Early in World War II, C.I.M. was merely an unproved deposit. Today the company, operating an essential and rapidly expanding industry in Nova Scotia, is providing a little more than 10% of world barytes production of one million tons annually from the Walton deposit.

Here is the evidence of C.I.M.'s remarkable growth of tonnage sales in seven-year span:

Year	Tons sold
1941	5,821
1942	15,848
1943	20,135
1944	94,737
1945	98,816
1946	*125,000
1947	†125,000

* (Approx.)
† (Exceeded).

Used in Drilling for Oil

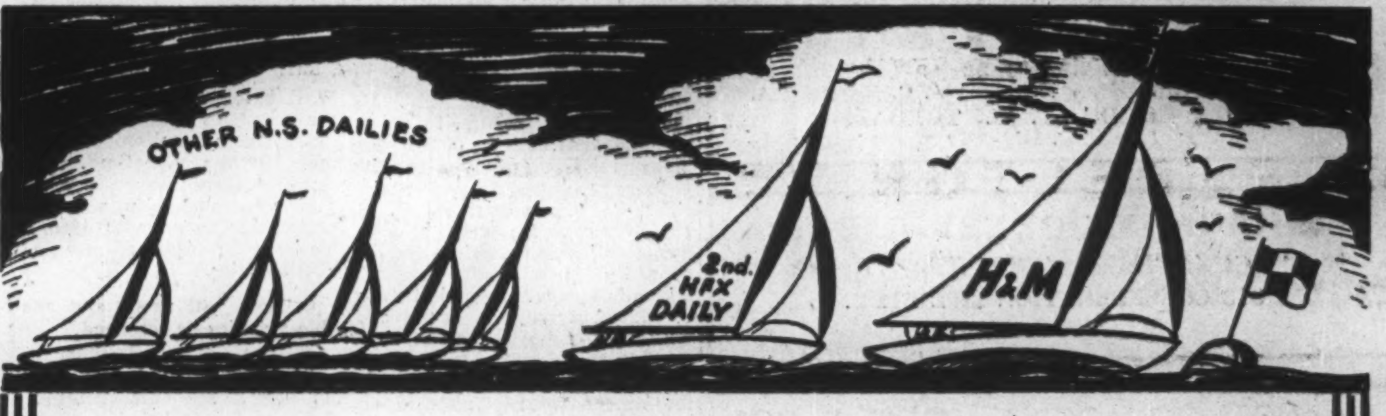
Barytes, a barium sulphate used chiefly to add weight and body to various manufactured products, is being used extensively in oil well drilling. As Trinidad, Colombia and Venezuela consume about 50,000 tons annually and are regarded as the largest market for barytes, C.I.M. in its early life concentrated on serving that field. Barytes, used for oil drilling at those points, is added to the drilling mud to provide the extra weight to retard gas pressure.

The barytes is ground into thick drilling mud which circulates in and out of the well; cools the hot drill as it pushes downward and helps prevent blowouts by pitting its weight against the strong upward pressure of oil and gas at the bottom. About five tons of barytes are used for every 1,000 ft. of piping in a new well.

In 1947 the oil industry used 500,000 tons of barite, a new record, pushing production to an unprecedented 750,000-plus tons. Canadian over-all consumption, however, is still of rather small proportions, around 4,000 tons yearly.

Discovery and development of Canada's chief barytes deposit on tidewater at Walton, has proved of marked importance to a variety of industries as barite is also used extensively in manufacture of lithopone (pigments for paints, floor coverings, textiles and rubber) and in glass, rubber, paint and barium chemicals. Lithopone is a chemical combination of approximately 75% barium sulphate and 25% zinc sulphate. Constant research into the use of barytes has resulted in its use in over 21 important chemicals and accounts for about 15% of all crude barytes production.

Development of the profitable and successful operation at Walton is providing Springer Sturgeon Gold Mines, the parent, with a steady flow of earnings and permitted payment of Springer's initial dividend of three cents per share Jan. 5, 1948.



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1. The Halifax Herald and Mail's ABC net paid circulation is more than 3½ times the circulation of the next Halifax daily (90,947 vs. 25,671).

2. The Halifax Herald and Mail has more than 30% more circulation than the COMBINED circulation of all other Nova Scotia dailies (90,947 vs. 60,907).

3. The Halifax Herald and Mail's net paid circulation in Nova Scotia is more than 70% of the total number of homes in the province which is 128,641 by the 1941 Census.

4. And all this EXTRA circulation of The Halifax Herald and Mail is obtainable at a milline rate that is actually less than half that of the next Halifax newspaper (2.42 vs. 5.06) and is the LOWEST in Eastern Canada.

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What's ECA, and Canada's Role in It?

How Dominion Will Share in $5.3 Billion Recovery Program

What is the European Recovery Program which will expend $5.3 billions in an effort to place the war-torn Old World back on a sound economic and political footing? What share will Canada have in this program; what will it cost her, and what will it represent to her industry? George R. Heasman, Director of the Trade Commissioner Service of the Department of Trade and Commerce, has answered these questions and others, in a comprehensive report; a digest of which is given here.

Q. What Agencies will administer the European Recovery Program?

A. In April, 1948, the United States Congress passed the Foreign Assistance Act of 1948. This voted (among other items) a sum not exceeding $5.3 billions toward European recovery. The program itself is to extend four years, but funds were voted for one year only, subject to confirmation by appropriation approval by the House of Representatives and the Senate.

The United States Government agency to administer the Act is to be known as the Economic Cooperation Administration—ECA for short. Paul Hoffman, the Administrator, has stated that his staff will be comparatively small, more in the nature of an approving agency. In Europe the 16 participating countries have set up a Secretariat in Paris, which is to be known as the Organization for European Economic Cooperation, or OEEC . . . which is intended to play an important part in the procurement program.

Q. What countries participate?

A. The same countries which last year formed the Committee on European Economic Co-operation and are referred to as the CEEC countries: United Kingdom, France, Belgium and Luxembourg, Holland, Norway, Ireland, Italy, Portugal, Sweden, Iceland, Greece, Turkey, Switzerland, Austria, and Germany (Bizonia). Also included are dependent overseas territories of Belgium, France, Netherlands, Portugal and the U. K.

Countries not included are Finland, Poland, Hungary, Romania, Bulgaria, Yugoslavia, Czechoslovakia and the Soviet Union. There is, however, nothing to prevent a country's joining the CEEC countries, providing it is prepared to adhere to a joint program for European recovery.

It does not necessarily follow that because a country is included in the CEEC countries, it will receive assistance. For example, the administrator might—I repeat, might—look on Switzerland as a co-operator in the program, rather than a recipient of aid.

Q. What powers and authority has the Administrator?

A. The Administrator has very broad powers under the Act, which provides, very specifically, what he **may** do, **shall** do, **and** may be expected to do. He, for example, **may** obtain from any source, any commodity required. He **may** process, store, transport and repair any commodity. He **must**, however, ensure, as far as possible, that at least 50% of the gross tonnage of commodities procured in the United States shall be transported in U. S. flag vessels. He **may** allocate commodities and services for approved projects; he may establish accounts against which letters of commitment may be issued and withdrawals may be made by a participating country for approved supplies; he may guarantee investments by the United States citizens for approved projects. He **must**, on the other hand, minimize the drain of U. S. resources. He **must**, as far as possible, obtain petroleum outside the United States. He **must** see that, of the total amount of wheat provided, 25% is provided in the form of flour; he **must** procure agricultural commodities as far as possible from surplus stocks in the United States; he **must** export to nonparticipating countries in Europe, only after the requirements of the 16 participating countries have been met.

He may be expected to refuse delivery of any commodities to participating countries which might be passed on to nonparticipating countries of Europe and to countries to which the United States might be refusing to export. The Administrator **may** terminate assistance if any participating country is not adhering to its agreement with the United States, or with the other participating countries, or if assistance by that country is no longer consistent with the national interest of the United States.

Finally, what is of outstanding importance to all businessmen he **must use private channels of trade wherever possible.**

Q. How will ECA carry on business in Washington?

A. Mr. Hoffman has stated that he has no intention of setting up a large procurement agency to hand out orders. He has made it quite clear that it is his intention to use established channels of private trade to the greatest extent possible, although he will use government procurement agencies which already exist, when necessary.

There is very little similarity between ECA and UNRRA. The latter was an international administration to which we all contributed and from which we all looked, as a matter of right, for a certain amount of the orders. UNRRA placed emphasis on relief, whereas, ECA places emphasis on actions which will help permanent recovery and help among themselves. One of the cardinal principles of ECA is that each country must assist each of the other 15 participating countries, to the greatest extent possible.

The first practical step in starting operations was to request the 16 countries to indicate their requirements from April 1, to July 31, 1948. The questionnaire listed 53 items, in which they were expected to indicate their requirements.

Q. What are the 53 authorized ERP commodities?

A. Bread grains; coarse grains; fats and oils; oil cake and meal; meat; fish; cheese; tobacco; nitrogen; agricultural machinery; coal; mining equipment; timber; iron and steel; trucks; freight cars; steel manufacturing equipment; timber equipment; canned milk; dried milk; eggs; dried fruits; pulses; fresh fruits; other foods; electrical equipment; aluminum; copper; hides, skins and leather; lead; newsprint; vehicles; woollens and worsteds; zinc; machinery, n.o.s.

Other items include purebred livestock, **seeds, seed** potatoes, footwear, pulp, ships, nickel, asbestos, and such other imports of an essential character as participating countries request and can get approved at Paris and Washington.

There is no mention of a wide range of manufactured products in which many Canadian firms would be interested. In other words, the emphasis is on necessities, raw material, and a certain quantity of capital goods.

Q. What has the Government done about this list?

A. We, in Ottawa, compiled a statement of what we could supply under the 53 headings. We also listed a miscellaneous assortment of commodities in which we thought some of the European countries might have requirements. We sent our list of availabilities to our Trade Commissioners in European countries. All the authorities had to do was to indicate whether they wished the commodity to come from Canada or some other Western Hemisphere country.

For the moment, until the participating countries have their own organization perfected in Paris, these statements of requirements have been sent direct to Washington, and ECA will advise the countries concerned to what extent their requirements can be met. In the meantime, the 16 countries are again compiling their requirements for a 12-month period, ending June 30, 1949, and we are compiling our own availabilities.

Q. How will needs and available supplies be screened?

A. It is proposed that these annual requirements will be put through a screening process in Paris by the OEEC, before sendind them on to Washington. Object of this is to have the participating countries decide many of the problems which will arise, rather than ECA.

Supposing the known supply of a particular commodity is only 1,000 tons for a given period. It then becomes necessary for the 16 countries to decide among themselves the quantity each should receive, rather than leaving this problem to Washington.

They might also decide that that particular commodity could, or should, be obtained elsewhere than from a dollar country—possibly among themselves. It is our understanding that the ECA on receipt of these screened programs, will then approve them on a three-month basis, as to quantity, value and source of supply, and return them to the participating countries, as amended.

Q. How do individual countries go about obtaining commodities once they are "screened" and approved?

Once a country's quarterly program has been returned from ECA authorities, approved as amended, it will be up to the European country to prepare a requisition for each commodity as required, which, in turn, must also be forwarded for the individual approval of the Administrator. These requisitions would show the commodity, the quantity, the quality, price, source of supply, and the expected delivery date. This document, I understand, is to serve, eventually, as the basis for payment by ECA. Each country will then proceed with its purchasing program under one of several approved procedures.

Q. What are these "approved procedures?"

A. (1) **Import Licenses:** If the importing country decides that an article is to be purchased through private channels of trade, local importers will be given import licenses. Suppose that Belgium asked for a certain quantity of machinery from Canada. ECA might change either the quantity or the source of supply, or approve and return the program as submitted. In the latter event, Belgian machinery importers would be told to get quotations from their Canadian suppliers and place orders. The Canadian exporter would be instructed how to ship and how payment would be made, probably against a letter of credit established by the Belgian importer with a Canadian bank. The Canadian exporter will be required to follow closely the instructions as to documents required and as to method of shipment, in order that the Belgian Government will have no difficulty in getting reimbursement from ECA. The Belgian Government, however, may decide to buy the machinery itself, either through the Canadian Commercial Corporation or direct from a Canadian manufacturer.

(2) Letter of Commitment: ECA may issue a letter of commitment, either to a commercial bank in the United States, or to a supplier in the United States. Procurement will then be arranged directly by the receiving country and payment will be made by the bank or directly by the United States Government to the supplier, under the terms of a letter of commitment. We just do not know as yet how the letter of commitment procedure will work in so far as Canada is concerned.

Q. How does a Canadian manufacturer or exporter obtain orders under the ERP program?

A. Unless you are a manufacturer or an exporter of one of the 53 items referred to, or unless a country needs some product not listed, which has the approval of both OEEC in Paris and ECA in Washington, you are not likely to obtain any direct ERP business. There will, however, be other indirect ways in which you will benefit.

First, keep in mind the object and that is, to help Europe rehabilitate itself on a permanent basis—supply a factory with a new machine—yes; raw material with which to make, say, boots and shoes—yes; raw cotton—yes; but not necessary cotton piece goods; or perhaps cotton in the grey, but not cotton finished goods, and so on.

There is no intention of providing consumer goods, semiluxury items, or any manufactured item which could with greater advantage to the European country or the over-all economy of the ERP countries, be manufactured in the recipient country, or one of the participating countries, rather than the Western Hemisphere.

If, however, you happen to be a manufacturer or an exporter of a commodity which is likely to be in demand, how do you go about obtaining ERP orders?

The first step on your part is to have your kind of product placed in the program. The only place this can be done is in Europe.

Even if this is done there is still no assurance that it will be ordered from Canada; let alone that an order will be placed with your own firm. The best you can do is to have your European agent keep in close touch with the authorities drawing up the program, to learn if there is a need for your product, and, if so, to see that it is included—and, of course, that Canada is specified by a source of supply.

If you are an exporter of the items likely to be required, you should also keep our commodity officers in Ottawa advised of your availabilities over the next twelve months.

Q. Where do Canadian purchasing missions of the participating countries fit into this program?

A. If these missions are continued, they will certainly provide an opportunity for Canadian manufacturers to contact them direct. For example, if the French Government continues its present purchasing mission and asks that mission to buy machinery on its behalf in Canada, here would be an opportunity for the Canadian manufacturer to do a selling job. In a few cases these missions may be continued; but where a purchasing mission has already been disbanded, it is not likely to be re-established.

Q. Is the ECA at Washington likely to divert orders from Canada to its own producers or manufacturers?

A. It is only natural that before approving a program, ECA will examine, very closely, any highly manufactured article required, before permitting such an item to be purchased in Canada, when U. S. plants may be in need of orders. If there is a surplus in the United States of an agricultural product, the director, by the terms of the Act, **must** purchase in the United States, no matter what country is indicated as a desired source of supply.

We believe that when Canada is shown as a source of supply for a highly manufactured product and we are able to justify this preference on the basis of lower price or better delivery, ECA will not change the indicated source of supply.

Just what effect the ERP will have on individual manufacturers is hard to answer. Some may benefit from immediate orders, and then eventually lose a market through Europe's becoming self-sufficient in his product. We shall continue to supply many of the 53 items, especially those in short supply: cereals, nonferrous metals, meats, fish and other foodstuffs, plus a quantity of rolling equipment of one kind or another.

I believe that while many manufacturers will be disappointed in not obtaining orders under ERP, they will benefit by orders received from some other part of the world which has benefited as the result of ERP. In other words, I would expect Canada's exports to benefit from ECA purchases in Latin-American countries of metals and foodstuffs. The funds first provided under ERP are likely to have a chain reaction. Long after commodities procured under ERP have ceased to flow to Europe, the accumulated funds in Europe may still be working.

Q. What becomes of the vast sums of money paid to participating governments by private importers?

A. Private importers in the United Kingdom, France or Belgium naturally do not receive the actual commodity for nothing. They have to pay to their government full import prices. Each participating country must deposit, in a special account in its own country, an amount of its own currency, equivalent to the value of the commodities imported under ERP.

These deposits can only be used after consulting with the administrator. Uses suggested for these funds are varied—that a similar amount of local currency be immobilized; that the fund be used to assist in measures of financial reform and currency stabilization; that the money should be used to retire the national debt.

Mr. Hoffman was asked recently if these funds were bound within that country; in other words, could France use sterling accumulated in London to buy English goods and could Belgium buy from France with French francs which France had deposited in her special account. Mr. Hoffman did not give a direct reply. The inference was left that the funds could be used in any way which would contribute to the general over-all recovery of Europe but subject to ECA approval.

Q. Will normal commissions be paid to Canadian exporters handling ERP business?

A. ECA has indicated that, while normal payments for legitimate services in connection with procurement are permitted, ECA and other government agencies will seek to prevent foreign purchasers from paying unnecessary or exorbitant fees or commissions. This would seem to indicate that established agents in European countries of Canadian manufacturers would be permitted to receive commissions, provided they are nominal and not excessive.

Q. Are export permits necessary for ERP orders?

A. Should you receive an order, it is important, as a first step, to apply for an export permit, if the article in question is under export control. The fact that a commodity has been shown by Canada as available to Europe under ERP does not necessarily mean that an export permit would be granted, because the question of retaining necessary supplies in Canada still remains. Under a recent amendment to the Export Permit Act, permits may soon be required to all European countries, in order to control destination. The alternative to this would be to place hundreds of items back under control by name, which would have been difficult and cumbersome.

COMPANY REPORTS

CANADIAN FOREIGN INVESTMENT CORP. 1947 net profit was up 22%. Total net revenue from all Brazilian sources was $361,475. Dividends, after tax, from company holdings of capital stock of Companhia Brasileira de Cimento Portland Perus, increased from $293,090 to $355,453. Revenue from other investments was $19,638 against $19,709 in 1946.

Demand for cement in Brazil was well maintained, the plant operations of the Brazilian company being at almost capacity. For the last few months no dollar exchange has been provided by the Bank of Brazil for dividends, and current dividends have been paid from surplus. Prospects for the Brazilian company for 1948 are good, from an operating standpoint, the annual report states.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Income	$417,886	$348,242
Less: General exp.	28,388	28,987
Taxes	40,592	33,178
Net profit	348,906	286,077
Less: Com. divds.	183,540	275,310
Surplus for year	265,366	10,767
Earnings per Share and Dividend Record:		
Common: Earned	$4.75	$3.90
Paid	1.50+1.00	*3.75

*Includes payts. from July, 1946, to and incl. July, 1947.

BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$70,862	$227,569
Mkt. securities*	558,769	584,019
Brazilian bonds	39,506	55,367
Interest in subsid.	847,629	609,201
Total assets	1,516,766	1,476,156
Tax provision	161	100
Dividends pay.	......	110,124
Exchange res.	190,000	42,060
Pension res.	27,000	27,000
Capital stock	456,060	456,060
Earned surplus	843,545	840,812
*Market value	577,819	603,994

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INCOME TAX

Exemption for People Over 65

Does the new $500 exemption for persons over 65 apply to both married and single people? Does it increase the amount of income that a wife may have without affecting the husband's exemption as a married man? At present a wife is allowed an income of $250 before it affects her husband's exemption.

At time of writing, no ruling had been issued on the first point but it is expected the increased exemption will apply to both married and single persons over 65. Thus the married person's exemption (if over 65) will now be $2,000, the single person's $1,250. No hint has been given as to whether there will be a change in the $250 exemption allowed on a wife's income before the husband's exemption is affected.

INVESTMENTS

Our Stocks in U. S.

Why is the discount on Canadian stocks, selling in the United States, greater than the unofficial exchange discount on Canadian funds?

Under present Foreign Exchange Control Board regulations, securities are classified as either foreign, Canadian foreign or Canadian domestic. Americans holding Canadian foreign or Canadian domestic securities cannot sell them to Canadians in Canada, but must find a non-resident purchaser (with special exceptions). This reduces the number of potential buyers and depresses the market for such issues in the United States.

Thus International Nickel, a Canadian foreign issue, sells at a 15% to 16% discount on the N.Y. market. On the other hand, International Paper, which is classified as a straight foreign issue, and which also is listed on both sides of the border, is subject to arbitrage. The price discount in its case is only about 10%, approaching more closely the unofficial exchange rate. For example, International Paper recently sold at 68¾ on the Toronto Curb and simultaneously at 62 on the New York market. If the spread between the New York and Toronto prices becomes wider, it becomes worth while for Americans to buy International Paper stock in the U.S. and sell it in Canada in order to get the benefit of the increased discount. Such action tends to bring the price back closer to the unofficial exchange rate.

Price differential for Canadian stocks, however, depends on the increase or decrease of interest of non-residents in such issues, as we have seen. In addition, other factors enter the situation. Fear of devaluation of the Canadian dollar is probably one of the most important; American investors remain more wary of Canadian stocks than they are of Canadian exchange itself. In the case of International Petroleum, the market apparently feels that there should be a discount greater than the unofficial exchange rate discount because of the prospective increase in dividend return through exchange of International Pete shares into shares of Standard Oil of New Jersey and because of the chance to acquire shares in a well-diversified U.S. company.

Bathurst Power & P.

What are the current dividend rates on Bathurst A and B stock? Are there voting privileges attached to the class A? What were earnings for 1947?

Bathurst class A common stock is entitled to noncumulative dividends at the rate of $2 a share per annum, in each year, in preference to dividends on class B stock for each year. Whenever, in any year, $2 a share shall have been paid on class A, further dividends declared in such year shall be paid equally, share for share, on class A and B stock alike until the class A stock receives dividends aggregating $4 for each year. All additional dividends declared in that year shall be paid on the class B stock only.

There are no voting privileges attached to the class A stock unless the company sells its assets as an entirety when the consent of the holders of at least 2/3 of class A share is required. Class B common stock is entitled to one vote per share.

In 1947, Bathurst net earnings were $2,896,094 ($2,327,598 in 1946). After all charges, net profit was $1,301,476 ($996,319 in 1946). This was equal to earnings on the class A shares alone of $3.25 per share. On the basis of participation, however, as outlined above the class A earned $2.72 and the class B earned 72c. In 1947, the company paid dividends on the class A stock amounting to $1.25 a share for the full year. This year, two dividends have been declared, March 1, and June 1, of 37½c each. This indicates a rate of $1.50 per annum. Current market quotation on Bathurst A is $21.75 bid $22 asked. On the Bathurst B stock the latest sale was at $6 a share.

New Augarita Porcupine

Can you give me some details on property development of New Augarita Porcupine Mines?

New Augarita Porcupine Mines a few months ago completed some 10,000 ft. of diamond drilling on its property, immediately east of Preston East Dome and south of Dome Mines in the Porcupine district, Ont. Principal work was directed to the western half of the claims, where values of $3 and $6 were obtained at vertical depth of 400 ft.

President J. P. McLaughlin has been negotiating with officials of Dome Mines to probe the property from lower levels of the Dome. Drilling from these underground stations would prove less costly to New Augarita than carrying out additional drilling from surface setups.

Teck-Hughes

Several years ago I bought some shares of Teck-Hughes Gold Mines. Now I wonder if I would be well advised to sell. What do you recommend?

The extremely difficult operating conditions experienced by all Canadian gold mines over the past two years have deferred until a later date the expansion in production and earnings which had been anticipated for Teck-Hughes Gold Mines. The subsidiary operation, Lamaque Gold Mines, has recently increased its output materially, but it is doubtful if this company will be able to step up its earnings to anything like the prewar level for some years to come.

Earnings of Teck-Hughes (including Lamaque dividends) totaled only $373,008 or 7.8 cents a share in 1947. However, the company has made some progress in restoring its workings and eventually it is planned to tap known subsidiary ore structures, which the management feels will permit an extension of the life length of the Teck mine.

Teck had a cost of producing gold of $31.31 an ounce in 1947. While this is prima facie evidence of not very profitable operations, the relatively high cost will likely result in the company's receiving fairly substantial payments under the new government subsidy covering gold mining costs.

No doubt the decline in the price of Teck-Hughes shares discounts a large part of the more unfaverable developments that have occurred. It is not the policy of The Financial Post to advise purchase or sale of specific securities or groups of securities, and we could not undertake to advise you as to whether you should dispose of this issue at the present time. We hope that the information supplied above, however, will be of assistance to you in reaching a decision on this point "on your own."

BOOKS FOR BUSINESSMEN

ACCOUNTING PRINCIPLES AND PRACTICE, by R. G. H. Smails, B.Sc., (Econ.), F.C.A., Professor of Commerce, Queen's University, Kingston, Published by the Ryerson Press, Toronto, 461 pages, price $5.50.

This book is not a revision of the well-know Smails & Walker, "Accounting Principles and Practice" but rather a successor volume. However it covers the same ground in much the same way and should therefore be usable, with little inconvenience, by any instructor who had become familiar with the early edition written by Prof. Smails in collaboration with Prof. C. E. Walker, the author states.

In the present volume Prof. Smails has blended the theory and the form of accounting.

Among the chief merits of the book is the adequacy of the problem material at the conclusion of each chapter. The problems are relevant to the discussion which precedes them and confine themselves to fundamentals, avoiding much of the involved details so onerous to students.

This will be a useful text for students and those engaged in practice alike.

THE STORY OF CANADA'S COAL, by C. Gerow, M.B.E., B.Sc., M.E.I.C., published by the Canadian Coal Operator's Association, Ottawa, Ont., 53 pages and a map. Price 50 cents.

Coal is one of the most common materials known to practically all peoples of the world and yet relatively few people have more than a slight knowledge of its origin and formation as a mineral. The author considers it important that all Canadians should know more about coal and its importance to Canada, and it is to this end that the book is written in plain non-technical language to tell the story of coal.

While the Dominion Coal Board and also Canadian mining and research engineers are particularly responsible for the future of Canada's coal, to the greatest extent of all its future rests with every Canadian, the author concludes.

THIS NEW CANADA, by Margaret McWilliams, published by J. M. Dent & Sons, Toronto; Price $3.75.

Dr. McWilliams has made a most useful and interesting contribution to Canadiana. Here we have a picture of Canada's background, of the major factors in her growth to a "middle" power in the postwar world. Particular attention is paid to the development of self-government, with a full description of the form, manner and type of government which finally resulted. Pleasingly illustrated and well backed with statistical charts and an index, this book, in a little over 300 pages brings the reader up to date on Canada and does it in most interesting fashion.

J. R. Moodie Co. Bonds To Be Redeemed July 1

J. R. Moodie Co. will redeem all outstanding 6% first mortgage bonds at par on July 1, 1948, and will offer a new issue of securities to the public later. For payment, the 6% bonds should be presented to the Bank of Montreal, main office, in the cities of Montreal, Toronto or Hamilton.

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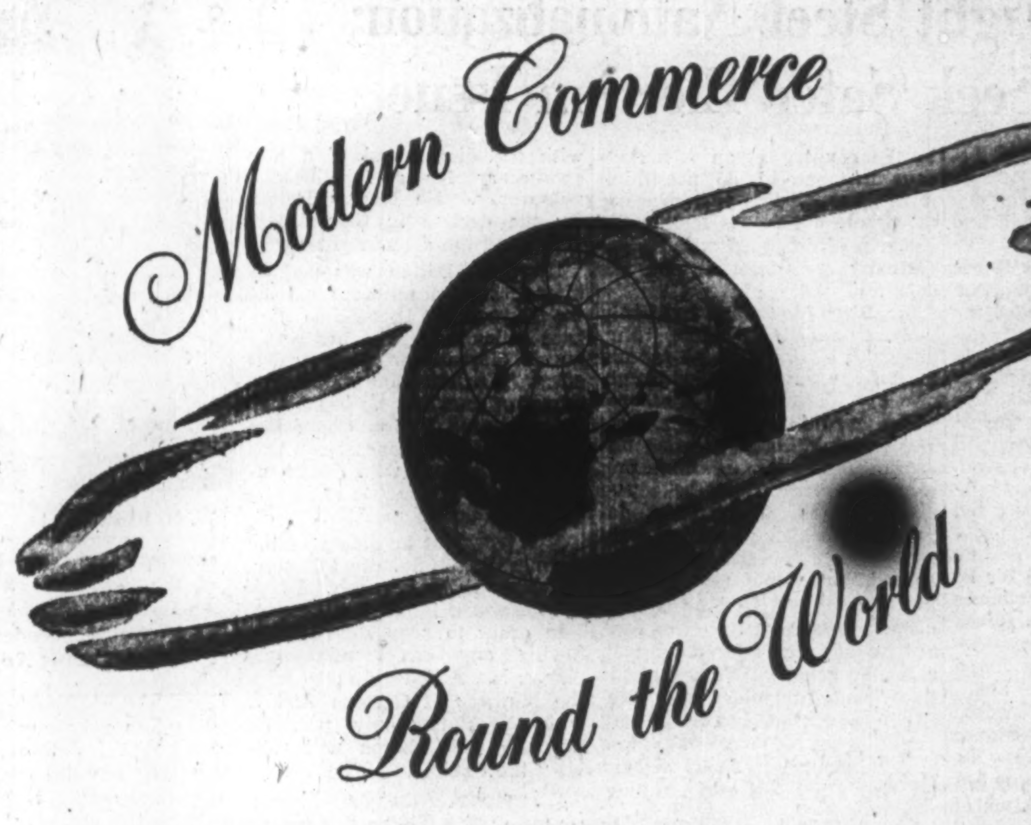

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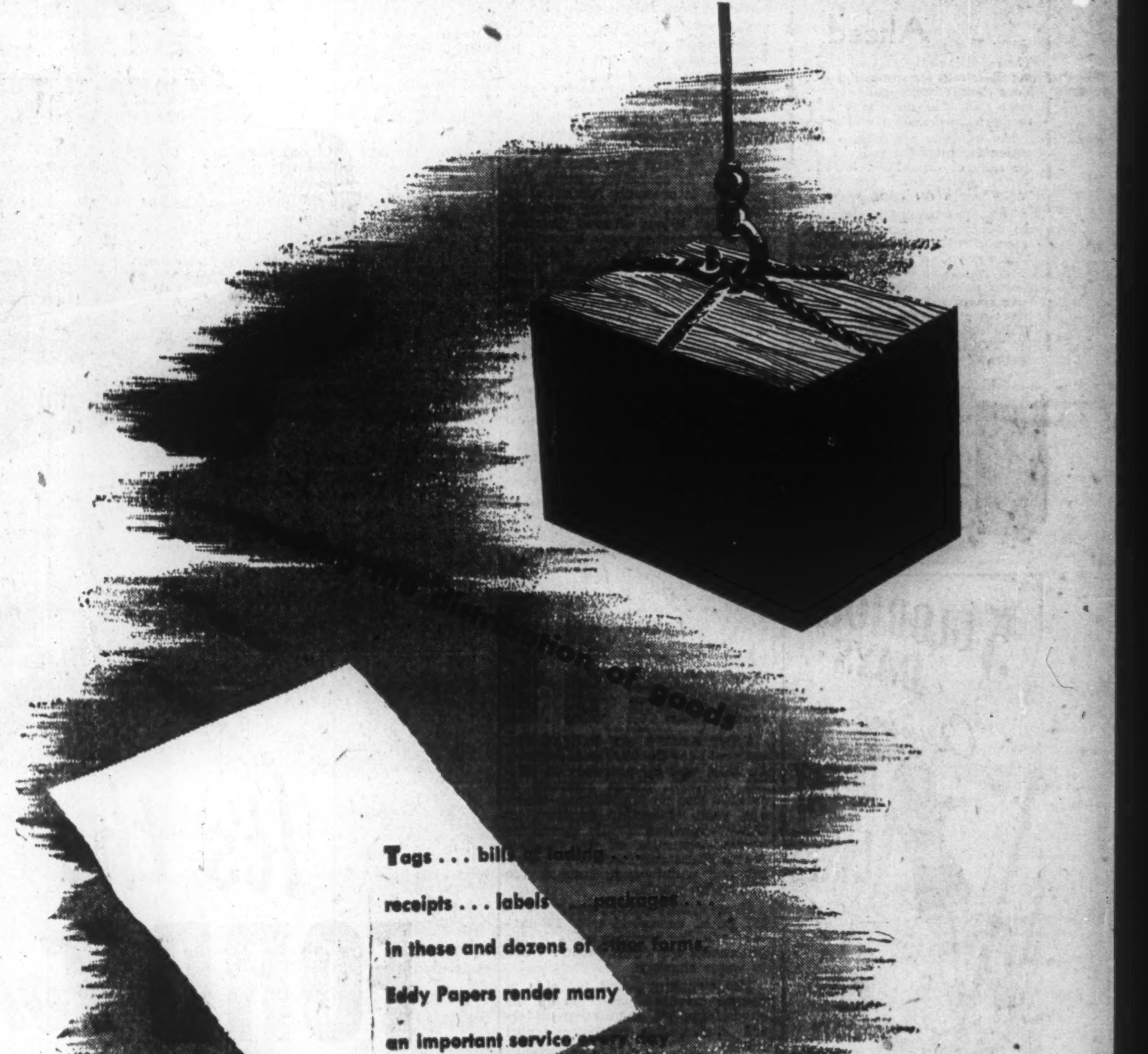
NORTH INCA GOLD MINES underwriting on 666,667 shares at 40 cents a share, which was subject to successful completion of negotiations for subunderwriting these shares under agreement with Trans-American Mining Corp., has not been successful. Instead a loan of $150,000 has been obtained, repayable with interest at 3% per annum from net profits, providing: that the mine is on a profitable and producing basis; that if full repayment is not made on this basis, the lender agrees to accept five shares for each $1 loaned. In consideration of Trans-American Mining Corp.'s negotiating this loan and relinquishing the options now held on 100,000 shares at 60 cents and 400,000 shares at $1, an option on 400,000 shares will be granted at 30 cents.



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EDDY QUALITY PAPERS

Peers to Fight Steel Nationalization; Socialists Seek Safer Election Issue

LONDON — The conflict between the Peers and the people still dominates the Parliamentary scene, relegating even Palestine to the background.

There is no stoppinb the House of Lords these days. It has won its fight against abolition o: the death penalty, and has openly defied the Government on the proposal to cut the Peers' veto power from two years to one. (The Upper House vote was 177-81 against such a step.) The next fight will come over nationalization of steel.

The Government has virtually accepted the Lords' decision on capital punishment, and will probably retain that penalty, despite the strong Commons vote for its abolition. Home Secretary James Chuter Ede has also been forced to reverse his stand on the question. Previously he had declared that if the Lords blocked abolition of the gallows, he would commute every death sentence imposed by the courts. Now he has compromised, to the extent of announcing that "the question of reprieve in each capital case, will be decided or its own merits."

• • •

The situation between the two Houses is delicate and complex, since there is a huge Tory majority in the Lords and a huge Socialist majority in the Commons. Fortunately, the Tory Peers are led by Lord Salisbury, who has all the astuteness of the Cecils. That family has played a dominating role in British public life since Lord Burleigh bluffed Elizabeth into agreeing to the execution of Mary, Queen of Scots.

Wisely Lord Salisbury and his Tory peers have not opposed the Government on any major issue, recognizing that a Socialist majority in the Commons was entitled to implement its election promises. The first break came over the hanging issue although that is not a party issue. But Salisbury and his merry men always intended to give battle on the nationalization of steel.

• • •

Socialists in Search Of Safe Election Issue

From now on, the Government will watch its opportunity to go to the country at an advantageous moment. I do not think it will happen this year, because the whole country is feeling the icy grip of deflation, with its accompanying depression of the spirit.

Sir Stafford Cripps had only two alternatives before him, either to let inflation go on and meet it by devaluing the pound, or by deflationary measures which would bring down costs and wages although creating unemployment. As an importing country there would be grave disadvantages in currency devaluation, which would not only reduce our purchasing power abroad, but would also increase the internal cost of our exports.

So Cripps chose the grim way, but already he is faced with an insoluble problem. Now that the State owns the mines, gas, electricity and transport, there are huge blocks of workers whose wages cannot be reduced without creating a political crisis.

But how can a Chancellor expect the workers in private industry to accept wage reductions, while exempting the workers of nationalized industries? This is one of the many problems which must arise from an economy which is half slave and half free. Once the state becomes an employer it must take everything into its maw, like the Communists, or else it must expect anomalies which defy adjustment.

• • •

Cripps Doesn't Welcome Dalton Back

Cripps is not a happy man these days. For one thing the ex-Chancellor, Hugh Dalton, is back in the Government and, indeed, in the Cabinet. It is no secret that Cripps looks upon Dalton with the disapproval of a thin apothecary for a full-throated voluptuary. He blames Dalton for the decline in Government credit and the drop in gilt-edged.

However, Dalton was making himself such a nuisance outside the Government that Prime Minister Attlee thought he had better muzzle him with office. But what office? Mr. Attlee may not be the wisest of men but he is no fool. He appointed Dalton Chancellor of the Duchy of Lancaster which has nothing to do with the Chancellor of the Exchequer and nothing much with Lancaster.

It is true that he does give the "livings" in the Episcopal Church, which should be a congenial task for one whose father was a canon.

In order to keep Dalton from having any direct ministerial power, Mr. Attlee did away with the Ministry of German Affairs which was the only portfolio available. So Dalton will "advise" the Cabinet.

It is probable that he will soon compete with Herbert Morrison for the job of Foreign Secretary. Broadly speaking Ernest Bevin maintained his prestige although he had no successes. But when he achieved a failure over Palestine the tomtoms began to beat.

He is a tired and disillusioned man, whose health has become a serious worry. He had hoped to leave his mark as the first British Foreign Minister to have come from the people. No one doubts the integrity or courage which he brought to that task but he became the victim of the soft-gummed policy of Socialism itself. I like him very much but I am afraid that his days as Foreign Secretary are drawing unpeacefully to an end.

• • •

In the meantime, the theatres are doing badly, the cinemas have acres of empty seats, sports are doing poorly except when the visiting Australians play, shops are becoming congested with goods and the stock market is slowly sagging.

Appropriately the sun has departed, and flaming June has had nothing but cold winds and blustering rain. In fact we are going through a period of retrenchment which is not going to add to our gaiety as a nation.

W. H. FURLONG

chairman and general manager of the Sandwich, Windsor & Amherstburg Railway Co. has been elected president of the Canadian Transit Association.

Permit Refused Machinery Firm May Quit Calgary

From Our Own Correspondent

CALGARY—Wilkinson & McLean Ltd., western machinery distributors, have served notice on Calgary that a dispute over the erection of a new building may lead to the company transferring its headquarters to Edmonton.

City Engineer J. R. Wood refused the firm a permit to erect a quonset type building on CPR property on 9th Ave. at 11th St. W., the light industrial area of the city. The building, to be used as a warehouse, was to be 40 ft. wide by 301 ft. long.

"If the building cannot be erected here we will have to move to Edmonton where we already operate a plant and have a suitable site," said E. M. Wilkinson, president of the company. 'The materials are here, and we have to build immediately."

Sask. Pool Pays $2,346,704 Bonus On Coarse Grains

From Our Own Correspondent

REGINA—Equalization on payments totaling $2,346,704 are to be distributed by the Saskatchewan Wheat Pool to farmers who sold oats and barley to the pool from Aug. 1-Oct. 21, 1947, the period when price controls were in effect.

Payments, computed on the basis of 13 cents a bushel for oats and 16 cents for barley, have already started; are being made in the form of cash tickets, to both member and nonmember patrons.

The adjustment payments represent the additional sales price on oats and barley purchased at ceiling prices and sold by the pool at higher levels after ceilings were removed.

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Saskatchewan Plans to Settle 27 Families on 'Forest Farm'

From Our Own Correspondent

REGINA — Saskatchewan has established its first forest farm project in the Fort a la Corne forest, 40 miles east of Prince Albert, designed to support 27 families on a year-round basis.

The project is located in a 100-square mile section of the west end of the provincial forest. Its aim is to aid selective cutting and sustained yield of the timber, to help the local economy on a stable basis. Other projects are planned for the east end area, and for the Candle lake provincial forest, 50 miles northeast of Prince Albert, when reconnaissance surveys are completed.

Residents in the new project area take out permits to cut timber on an individual basis. They are assisted by the Resources Department in choosing timber for removal.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CUB AIRCRAFT CORP. operations for the year ended Oct. 31, 1947 resulted in a net loss of $34,080 as compared with a loss of $73,994 for the previous year. In common with other aircraft manufacturing concerns, in the United States and Canada, the company has continued to maintain an extensive plant, equipment and key personnel, which have not been fully employed during the postwar period of adjustment in the aircraft field.

To absorb part of the maintenance cost manufacturing activities have been expanded to include production of items outside of aircraft products, for which there is indicated a general demand. Operations in this respect got under way subsequent to fiscal year and are not reflected in operating results. The company is presently producing an apartment-sized washing machine, for which it has effected distribution from coast to coast, through 14 major distributors. The rights to manufacture a home-type dishwasher have also been secured and organization for production is under way. Other appliances in general demand of similar type are under consideration.

Prospects for sale of civilian-type aircraft continue to improve and anticipation for increased volume of business is also warranted here, President R. L. Gibson states.

INCOME ACCOUNT

Years Ended Oct. 31:	1947	1946
Net earnings	a$31,683	a$72,815
Less: Deprec.	2,397	1,179
Net loss or deficit	34,080	73,994

aLoss.

Earnings per Share and Dividend Record:		
Com.: Earned	d$0.16	d$0.53

None paid.

CONDENSED BALANCE SHEET

As at Oct. 31:	1947	1946
Cash	$3,222	$3,814
Accts. rec., etc.	34,123	53,233
Inventories	114,583	129,417
Total curr. assets	151,928	186,464
Misc. assets	10,791	8,822
Fixed assets*	22,174	13,814
Mfg. & sell. rts.	50,000	50,000
Total assets	234,893	259,100
Total curr. liab.	31,238	98,725
Capital stock	279,163	207,613
Capital surplus	33,750	33,750
Less: Deficit	109,258	80,988
*After depr. of	81,342	78,135
Working capital	120,690	87,739

EAST KOOTENAY POWER CO. net profit for the year ended March 31, 1948, was up narrowly at $29,253 ($27,056). Gross revenue at $814,270 was up $39,543 from previous year. Operating expenses at $452,092 increased $86,251, due to increased operation of the Sentinel Steam Plant and increased operating and maintenance costs at the two hydro plants.

Gross system output was 121,907,640 kw.h., compared with 124,058,160 kw.h. for previous year. Hydro generation was down about 7% due to water shortage.

The company is not yet able to resume dividend payments on the outstanding 7% cumulative preferred shares, the company report states.

INCOME ACCOUNT

Years Ended Mar. 31:	1948	1947
Net earnings	$362,178	$408,886
Less: Interest	155,850	211,745
Depreciation	139,500	135,000
Doubt. accts. res.	5,060	......
Employ. pension	10,540	10,085
Bond disc.	3,575	......
Inc. & profits tax	18,400	25,000
Net profit & surplus	29,253	27,056
Times Interest Earned:		
Before deprec.	2.32	1.93
Earnings per Share and Dividend Record:		
Pref.: Earned	$2.93	$2.71
Com.†: Earned	d1.36	d1.43

None paid on either stock.
†Incl. shs. held in trust.

CONDENSED BALANCE SHEET

As at Mar. 31:	1948	1947
Cash & Dom. bds.	$255,398	$12,614
Accts. rec.	56,645	68,158
Inventories	65,766	68,926
Total curr. assets	377,809	149,698
Prep. exp., etc.§	26,139	17,323
Co's. bonds	42,052	......
Misc. assets	74,885	......
Fixed assets‡	4,532,430	4,652,887
Total assets	5,053,315	4,819,908
Total curr. liab.	147,752	3,565,799
Consum. dep.	15,633	18,433
Funded debt	3,625,000	......
Capital stock*	1,147,385	1,147,385
Surplus	117,545	88,291
‡After depr. of	978,823	837,608

*After deducting $2,615 (523 shs.) held in trust for employees.
§Incl. in curr. assets in co's. report.

Working capital	230,057	†3,416,101

†Excess of curr. liabs. over curr. assets.

Cooler Water Ahead

The supplying of clear, cool drinking water calls for serious thought. Your choice of water-cooling equipment should be made only after thorough investigation and tests.

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This informative folder describes the 5-year factory-user replacement warranty with exclusive CORDLEY features on hermetic models ...pressure and bottle-type water coolers made by CORDLEY, who have specialized in quality drinking water equipment since 1889. Write now for your FREE copy of "COLD FACTS ON COOL WATER" to:

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